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NEWS SUMMARY

GENERAL

Uganda troops kill newsmen

Four Western journalists were shot dead as "mercenaries" by Ugandan soldiers loyal to President Idi Amin, the Ugandan Foreign Ministry announced.

The four, two Swedes and two West Germans, had gone into Uganda from Kenya, hoping to pose as fishermen by crossing Lake Victoria in a boat and coming ashore near Jinja, where they were caught.

A British businessman who escaped after a three-day walk to the Kenyan border, said Amin was preparing to make a last minute stand, and that Kampala was a ghost town surrounded by Tanzanian troops. Page 3

Greece-Turkey tension eases

Tension between Greece and Turkey seems to be relaxing following secret talks between the two countries in Geneva.

Negotiations are believed to be advancing on a "political document" which could include a non-aggression clause. Back Page

Peace pact row

Israel accused Egypt of violating the peace agreement signed last month, by declaring that it might join a war started by Syria to recover the Israeli-occupied Golan Heights. Page 3

Grenada alert

Grenada's new revolutionary Government has put the island on a "national alert" following reports that Sir Eric Gairy, ousted [illegible] Minister, is organising an invading force of mercenaries.

Purge continues

Iran's bloody purge of members of the Shah's regime continued with the executions of another 11 people, including the former head of the Air Force, and a Minister. Page 3; Banks re-open, Back Page

Chemicals threat

About 5,800 people have been evacuated from an 80-square-mile area near Crestview, Florida, after the derailment of a goods train loaded with dangerous chemicals. Page 4

Pakistan denial

Pakistan's military Government has denied as "completely false and baseless" claims by neighbouring Afghanistan that Pakistani troops raided four police posts across the border. Page 3

New offensive

More than 30,000 Vietnamese troops are involved in a new offensive in north-west Cambodia against Khmer Rouge guerrillas loyal to ousted leader Pol Pot, according to diplomats in Bangkok.

Libel damages

David Stirling, founder of the Special Air Service, accepted "substantial damages" in settlement of a libel action over a Time Out magazine article which he felt suggested he had been cowardly during his military career.

Briefly...

Sir Kenneth Newman, Chief Constable of the RUC, warned of a possible upsurge in terrorism by the IRA.

Strikes by hotel and catering staff in Spain's Costa del Sol tourist resorts threaten havoc during the Easter holiday.

Spanish ivory chess piece of the late 13th century sold at Christie's for £35,000. Page 8

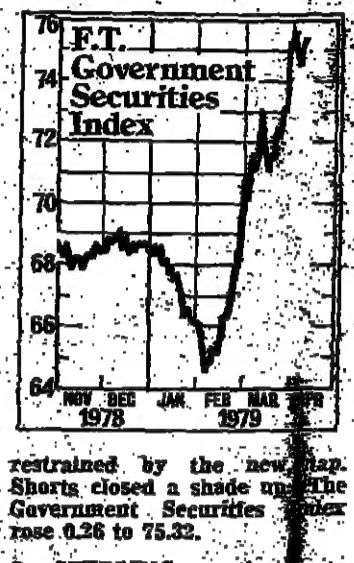
Spastic Society has forecast an increase in the birth of severely handicapped babies.

BUSINESS

Equities up 6.1; gains in Gilts

● EQUITIES saw selective investment support following the Tory lead in weekend opinion polls and the FT 30-share index closed 6.1 higher at 531.4.

● GILTS continued to rise, with longs gaining up to a full point, although mediums were



restrained by the new gap. Shorts closed a shade up. The Government Securities index rose 0.26 to 75.32.

● STERLING continued to improve, gaining 75 points to $2.0940. Its trade-weighted index was 67.6 (67.4).

● DOLLAR'S trade-weighted index increased to 85.[illegible] from 85.6.

● GOLD rose $[illegible] to $2[illegible] in London.

● WALL STREET was [illegible] lower at 873.87 near the close.

● UNITED BISCUITS has agreed to pay [illegible] for [illegible] U.S. company, which prepares and distributes salad dressings and spices. Back Page

● POST OFFICE will peg telephone charges until at least the end of the year because of continuing profits through increased business and higher efficiency. Back Page

● DECCA has claimed that the trial division of the U.S. Court of Claims has recommended that the U.S. Government should pay the company $39.4m (£18.8m) compensation for infringing a radio navigation patent.

● U.S. OIL millionaire Nelson Bunker Hunt plans to ask a Dallas court for a $2bn award against British Petroleum, which has considerable assets in the U.S. Page 7

● IMPORTED CARS won a record 55.24 per cent of the UK new car market in March, and made the deepest ever penetration for the first quarter with 53.97 per cent of the sales. Page 8

● IMPERIAL CHEMICAL Industries plans to reduce jobs in its fibres division by about 450 a year between now and the mid-1980s. Page 7

● IMPORT BAN on maincrop (old) potatoes has been lifted by Britain following a recent ruling by the European Court of Justice. Page 39

COMPANIES

● BLACKWOOD HODGE, the earthmoving equipment group with overseas interests, reports pre-tax profits up from £16.63m to £18.2m in 1978. Page 29

● GLAXO HOLDINGS, the drugs, food and medical equipment group, saw pre-tax profits drop from £40.3m to £36.5m for the six months to December 31, although trading profit rose by 2.2 per cent. Page 28 and Lex

● ROWNTREE MACKINTOSH, the chocolate and confectionery group, reports a pre-tax profits rise of 9 per cent to £45.1m for 1978 on a 20 per cent gain in sales at £563m. Page 28 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:

Treas. 14½% 1994	£119⅝	+ ⅞
Excheq. 12¼% 1990 (£40 pd.)	£46¼	+ 1
Amal. Distd. Prods.	39½	+ 5½
Aurora	99	+ 8
Bambers Stores	305xd	+ 13
British Land	78	+ 3½
Brown & Jackson	500	+ 54
Dorada	98	+ 6
Edwards (Lou. C.)	59	+ 6
Gaskell (Bacup)	215	+ 38
GEC	411	+ 8
GKN	276xd	+ 8½
Hambro Life	580	+ 65
Harris (P.)	138	+ 13
MFI Furniture	375	+ 25
Magnolia	240	+ 20
Office & Elect.	160xd	+ 14½
Pearl Assurance	274	+ 12
Pilkington	387	+ 17
Prov. Financial	115	+ 7
Racal Elect.	477	+ 15
Reed Executive	114	+ 9
Rowntree Macknish.	419	+ 11
Sanger (J.)	38	+ 6
Trust Houses Forte	178xc	+ 8½
Ulster TV A	89	+ 8
United Biscuits	91	+ 5
Wettern Bros.	127	+ 7
Wilkins & Mitchell	43	+ 5
Winn Inds.	65	+ 7½
Woolworth (F. W.)	80	+ 6
Tricentrol	212xd	+ 19
Bradwall	71	+ 8
Muar River	71	+ 8
Bougainville	135	+ 6
Western Mining	160	+ 6

FALLS:

Glaxo	538	− 22
Huntleigh	79	− 5
Hammersley	165	− 10
Robe River	70	− 5

Woolworth facing $1.125bn takeover bid from Brascan

BY JOHN WYLES IN NEW YORK

F. W. Woolworth was the target yesterday of a potential $1.125bn (£537m) takeover bid by Brascan, a diversified Canadian corporation which recently sold a large part of its interests in Brazil.

Brascan's announcement, which was not preceded by any contact with the Woolworth board, plunged the U.S. company's top management into a series of intensive meetings aimed at thrashing out a response.

No reaction was forthcoming by early afternoon but the initial judgment on Wall Street was that the $35 a share tender offer would be highly attractive to many Woolworth shareholders.

Adding to the drama of the occassion was the fact that Brascan's announcement was followed within minutes by a disclosure from Edper Equities of Toronto that it was considering making a C$32.6m (£136m) purchase of 11.7m Brascan Class A shares which would give it 50 per cent of Brascan's voting stock.

Edper, which is two-thirds owned by Mr. Peter and Edward Bronfman of Toronto and one third by the Patino Group of London and Amsterdam, apparently informed Brascan that the offer was being considered last Thursday. Mr. J. Trevor Eyon, Edper's counsel, was quoed as saying that he thought the Brascan's bid for Woolworth might be a defensive manoeuvre.

In the meantime, Edper was deciding whether to press ahead with its bid since the Woolworth bid appeared to represent a material change in Brascan's affairs.

Brascan's offering document outlining the Woolworth bid reveals that it has received a number of merger propositions since it sold on January 12 its 83 per cent interest in Light-Servicos de Electricidade SA to the Brazilian Government for $380m (£181.5m).

The proceeds from this sale are part of the $425m of the company's funds which Brascan proposes to commit to the Woolworth purchase. The balance would be obtained through a $700m borrowing arrangement with the Canadian Imperial Bank of Commerce.

If it were successful the bid would be the largest U.S. retailing deal since Mobil Oil bought the Marcor department store and packaging company for $1.5bn in 1975. The offer would yield a 35 per cent premium on Woolworth's closing price last Friday of $26, which was at the very top end of the share's trading range for the last three years.

The stock did not open for trading yesterday and there was some suspicion on Wall Street of the fact that Woolworth was the second most heavily traded share on the New York Stock Exchange on Friday.

As an operator of 5,788 stores worldwide, Woolworth's last year recorded earnings of $130.3m or $4.34 per share. Brascan says in its offering document that it had forseen the sale of the Brazilian com-

Continued on Back Page
A lively centenarian Page 33
Lex Back Page

HUDSON ACCEPTS THOMSON BID

Hudson's Bay Company has accepted a third, $640m bid from the Thomson family—but the Canadian Government is trying to stall any deal. Back and Page 27.

Saudis to cut oil output by 1m barrels a day

BY KEVIN DONE, ENERGY CORRESPONDENT

SAUDI ARABIA is to cut crude oil production by 1m barrels a day, Mr. Abdul Aziz al-Turki, the deputy Petroleum Minister, said yesterday.

The reduction, in response to the rising crude output from Iran, will bring Saudi production back in line with its original ceiling of 8.5m barrels a day.

The move is almost certain to guarantee that crude supplies on the world market will remain tight for the rest of the year and leaves little chance of any of the members of the Organisation of Petroleum Exporting Countries reducing their present surcharges later in the year.

There is a growing belief in the oil industry that Saudi Arabia will also introduce a general surcharge on all its crude output soon, a step it has avoided since the OPEC meeting in Geneva last month.

Saudi Arabia's delay in introducing extra surcharges has left it isolated among OPEC members and caused confusion in world oil markets, where each producer has been left free to set its own price level.

Kuwait added to the uncertainty yesterday by adding an extra increase of 60 cents a barrel to its existing surcharge of $1.20 a barrel. This brings the price of its main export crude, rather heavier than most of the Gulf export grades, to $15.79 a barrel compared with $12.22 in the last quarter of 1978.

At the OPEC meeting in Geneva last month, members reached an informal understanding to lower their levels of production as Iranian output increased.

Iranian production is now thought to be running well above 3m barrels a day. The Voice of the Islamic Republic radio claimed in Teheran yesterday that production had already reached 4m barrels a day, of which about 700,000 were needed for the domestic market.

Sheikh Ali Khalifa al-Sabah, the Kuwait Oil Minister, said yesterday: "The Iranians were unjustifiably worried that the increased levels of production achieved by some countries, following the shortage on the market, would stick, and that they would not be able to produce as much as they wanted. They were assured by the other members that we were not trying to take Iran's share of the market."

Apart from increasing the basic surcharge, the Kuwait Supreme Petroleum Council has also decided that any production above its ceiling of 2m barrels a day will be charged at a hefty premium of $4.01 a barrel, boosting the price for this marginal output to $18 a barrel.

The move by Kuwait to demand a basic surcharge of $1.80 a barrel could now start a leap-frogging process—as happened in the first quarter—among OPEC members, as producers of lighter crude try to re-establish a quality differential.

Abu Dhabi and Qatar set the $1.80 surcharge level for the second quarter when they increased the prices for their lighter crudes last week.

Continued on Back Page

BL strike call brings out 3,000

BY ALAN PIKE, LABOUR CORRESPONDENT

AT LEAST 3,000 skilled workers in BL's car factories yesterday began unofficial strike action over demands for improved pay differentials and separate negotiating rights.

The number involved is about the same as in the 1977 toolroom dispute, the most serious strike since BL came into public ownership. This time, however, the strikers include groups of electricians, patternmakers and other craftsmen as well as toolroom workers.

Although more than half of the company's 8,500 skilled men are still at work the number of strikers is sufficiently large to present BL with another serious problem. Mr. Roy Fraser, chairman of the unofficial BL United Craft Organisation which is leading the strike, yesterday set up a headquarters in Oxford and began efforts to persuade more skilled workers to join.

At least some—and in a number of places all—craftsmen are on strike at the Cowley body and assembly plants, the Rover plant at Solihull and five smaller Rover factories in Birmingham, Coventry Engines, Cardiff, Castle Bromwich, Swindon and Dunstable.

The two questions raised are how long it will be before production is affected and how the dispute can be brought to an end before BL is once more plunged into crisis.

The company hopes that it will gain the support of manual workers in keeping production running for as long as possible in spite of the strike. A senior union official warned yesterday, however, that with both the Castle Bromwich and Cowley body plants involved, BL's whole operation was now "highly vulnerable."

Possible ways of tackling the dispute will be discussed at today's executive meeting of the Amalgamated Union of Engineering Workers, to which most of the strikers belong. BL and its unions are equally opposed to granting the craftsmen's demand for separate bargaining rights.

At a meeting with BL management in London yesterday union leaders were assured that the company's development plans over the next five years would not be affected by any eventual collaboration agreement with Honda of Japan. Design and development of the LC10 middle range saloon would go ahead. Union leaders are concerned about how BL proposes to end any collaboration arrangement with Honda once its own new vehicles are on the market.

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For latest Share Index phone 01-246 8026

Further gains for sterling

By Peter Riddell, Economics Correspondent

STERLING MADE further gains yesterday against all major currencies including a generally firm dollar.

The trade-weighted index, measuring the value of sterling against a basket of currencies, rose 0.2 to 67.6, its highest level for three years.

This followed a jump of 0.7 in this index on Friday after the Bank of England stopped intervening on a large scale to check the rise.

Foreign exchange dealers said that sterling business was in both directions, and that trading was generally quieter than last wee'ks.

Consequently the Bank was able to remain on the sidelines.

APPRECIATION OF STERLING
(percentage rise)

	Since mid-1978	Since end-1978	Since Mar. 1
Dollar	12.5	2.6	3.6
D-mark	3.6	7.4	6.2
Franc	9.0	7.3	5.4
Yen	18.5	13.3	8.3
Trade-weighted index	9.9	5.6	4.8

The market believes the first real test of the non-interventionist stance will come if the pound threatens to rise well above $2.10.

The response to the change in official tactics has so far been similar to what happened in November 1977 when the pound was allowed to float freely. Then, as now, an initial sharp appreciation was followed by a small rise as two-way trading developed.

The pound has risen not only against the D-mark and the Japanese yen but also against the strengthening dollar. Last night sterling closed 75 points up at $2.0940 after a day's high of $2.0955.

The dollar has recently recovered strongly against all major currencies except the pound. The dollar rose yesterday to DM1.9045 compared with DM 1.8940 on Friday. This represents a rise of 4.6 per cent since the end of last year. Over the same period the dollar's trade-weighted index, as calculated by the Bank of England, has risen by 3.6 per cent.

£ in New York

—	April 6	Previous
Spot	$2.0845-0855	$2.0790-0800
1 month	0.22-0.18 dis	0.25-0.20 dis
3 months	0.45-0.40 dis	0.50-0.42 dis
12 months	1.05-0.90 dis	0.95-0.80 dis

Jobs at risk under Tories —Callaghan

BY RICHARD EVANS, LOBBY EDITOR

THE PRIME MINISTER launched Labour's general election campaign with a stark warning last night that Conservative rule would place more than 1m jobs at risk and create "deserts of unemployment" throughout the country.

Mr. Calaghan's onslaught on the impact that Tory policies would have on the economy set the theme that Labour leaders hope will dominate political argument up to polling day on May 3.

With Mrs. Margaret Thatcher, Conservative leader, starting the official campaign as firm favourite to become Britain's first woman Prime Minister, Labour has to wrest the initiative from the start and hold it. Mr. Callaghan, therefore, lost no time yesterday in highlighting the dangers he believed a Thatcher administration would entail.

In the first major speech of his election programme, he launched a sharp attack in Glasgow on Tory policies for cutting Government subsidies to industry, which he claimed would put 1.2m jobs at risk throughout the UK.

"There is not a single part of the country that would not suffer from the Conservative policy of cutting the jobs programme," he declared. "They woud turn Scotland, Wales, Northern Ireland and many regions of England into deserts of unemployment."

When every industrial nation was wrestling with the grave problems of inflation and unemployment it would be a tragedy for families in every part of the community if the Conservatives turned back the clock to the 1930s.

"You must decide on May 3 if Britain is to abandon partnership between Government and people and choose a selfish and destructive free-for-all with the Conservatives," he argued.

He went on to claim that the Tories were inviting the country to "commit national suicide" by abandoning Labour's job creation programmes.

Every big industrial nation was involved one way or another with protecting or preserving jobs. The Conservatives' "do nothing" policy would be as out of place in the competitive world of the 1980s as a cavalry charge against tanks.

The speech made a dramatic start to the campaign to decide who will rule Britain into the next decade and it contrasted starkly with the ultra-cautious Conservative launch. Mrs. Thatcher will not introduce the Tory manifesto until tomorrow and will not campaign in earnest until after Easter.

But the Conservatives were given what could prove a valuable propaganda weapon by Mr. Denis Healey, Chancellor of the Exchequer, yesterday, when he admitted in a BBC radio interview that the value of the family home will be included in calculating Labour's proposed wealth tax threshold of £150,000 contained in the party's manifesto.

This would mean on current values that more people, particularly in the South-East, could be caught in the wealth tax net than might have been appreciated.

The formal Conservative campaign was left to Mr. Edward Heath, former party leader, who poured derision on Labour's economic record particularly on inflation, and to Mr. Michael Heseltine, shadow environment spokesman, who insisted that the Tories would be just as caring towards the under-privileged as Labour.

Britain should do everything possible to secure international recognition for the new government in Rhodesia if the forthcoming elections are fairly conducted, Mr. Francis Pym, Conservative foreign affairs spokesman, said last night. He urged an initiative with the U.S., the EEC and friendly African countries to halt the spread of Communism in Africa. Rhodesian elections Page 3

The Liberal campaign was launched by Mr. David Steel, party leader, who suggested that the party could have a "powerful wedge" of up to 50 seats in the next Parliament

Mr. Callaghan set the tone of Labour's strategy at his first daily news conference in London when he said national unity would be the underlying theme of Labour's campaign and jobs and prices would be the major issues.

He argued that in contrast the Conservatives in government would introduce divisive measures including the abandonment of price controls and pay policy, an increase in National Health Service charges and a sell-out to Europe.

In another attempt to capitalise on the issue of the Common Market, Mr. Callaghan claimed the Conservatives would "let the Europeans walk all over us."

But when questioned about the remark of Mr. Anthony Wedgwood Benn, Energy Secretary, that a vote for Labour would be a vote against the Common Market in its present form, Mr. Callaghan retorted sharply: "I don't endorse Benn and he doesn't endorse me."

Other election news Page 9

Bonn, Bundesbank urged not to endanger growth

BY ADRIAN DICKS IN BONN

THE West German Government and the Bundesbank should not be scared by the prospect of higher prices into taking restrictive measures that might endanger growth in 1980, a panel of independent economists recommended yesterday.

In their spring report on the economic outlook, the five leading West German economic research institutes said there should be no difficulty in achieving the goal of 4 per cent real growth of gross national product in 1979, despite the effects of last winter's steel stoppage and exceptionally bad weather.

Prices during the first half of this year are likely to be on average 3.5 per cent up on a year ago, and during the second half, 4 per cent higher. This compares with a rise of 2.6 per cent for 1978.

The recovery is still gaining ground, according to the institute's joint working party, with increasing signs that new investment is being sustained by a more optimistic business climate, rather than by the effects of official policies alone.

Unemployment should decline to about 900,000, or 4 per cent, despite a bigger increase in the working population than in 1978.

Prices would not again jump as sharply as they had last winter after the shortfall in Iranian oil exports, the institutes predicted. But they left no doubt that "the period of falling inflation rates is at an end" for West Germany.

The main reasons for this included the rapid increase in money supply, the improved sales outlook for most industries, and the bottlenecks felt for some time in the building sector.

Perhaps the most significant reason was the blunting of import competition, following the more stable outlook on foreign exchange markets since measures were taken to stabilise the dollar last November and the European Monetary System was set up.

While prices of crude oil or other raw materials might not rise significantly, the time was now past when West Germany could compensate for such price increases in dollar terms because of the upward movement of the D-mark.

Import prices fell overall by 4.5 per cent in D-mark terms during 1978, but the report predicts a 3 per cent increase in 1979.

Export prospects are judged highly favourable in Western Europe and the OPEC countries other than Iran, while demand for West German goods from the U.S. is likely to weaken.

The report expresses understanding for the priority given by the Bundesbank to sounding what it recently called "a stage one alarm" against inflation.

But the authors believe that maintenance of a steady course will prove more beneficial than any attempt to introduce an anti-cyclical monetary policy whose impact might well be felt in practice at precisely the wrong point in the cycle.

The institutes do not recommend any specific policy measures, but see the consolidation of public deficits, through a reduction of the borrowing requirement in relation to GNP, as a more pressing concern.

Schmidt to see Carter in U.S.

BY JONATHAN CARR IN BONN

CHANCELLOR Helmut Schmidt of West Germany will hold talks with President Jimmy Carter in the U.S. in early June, ahead of the Western economic summit conference in Tokyo on June 28 and 29.

The idea for the meeting came before the accident at the Three-Mile Island nuclear plant near Harrisburg, Pennsylvania, an incident which has placed a new shadow over West Germany's own nuclear programme.

The Harrisburg affair has thrown the energy problems of the West into still sharper relief. It is likely that they will be high on the agenda in the talks between Herr Schmidt and Mr. Carter.

Details of Herr Schmidt's visit are still being worked out, but it is understood the Chancellor will be receiving an honour at a U.S. university and making a speech.

West German officials are at pains to stress the recent close contact between Herr Schmidt and Mr. Carter, particularly on the energy issue, on which the two have not always seen eye-to-eye.

Mr. Carter is understood to have informed Herr Schmidt of details of his new energy saving measures (which were welcomed by Bonn) before they were announced.

The Chancellor—at present visiting South America—has already passed on to Mr. Carter information about his talks last week with Brazilian leaders.

After those talks, Brazil and West Germany announced they planned to carry out in full their nuclear accord of 1975, an agreement strongly criticised by the U.S. on the grounds it could lead to further nuclear weapons proliferation.

The West Germans believe energy is emerging as one of the most urgent issues for the Tokyo summit.

This is partly because of the intensified public debate over nuclear safety and the continuing unrest in Iran (West Germany's main source of imported oil last year).

It is also because the debate over economic growth efforts has not emerged as acutely as it did before the Bonn summit last year, and because other matters, including trade and relations with the developing world, are being thrashed out adequately in other forums.

West Germany's own energy dilemma was underlined yesterday when Herr Gerhart Baum, the Interior Minister, said he believed there were circumstances in which the country might have to give up its option of nuclear power.

In an interview with the weekly magazine Der Spiegel, Herr Baum said the problems at Harrisburg had caused him to pose particularly critical questions about nuclear energy—and had made him open to a new judgment.

Austria delays decision on EMS

BY DAVID MARSH

A DECISION on whether Austria will become formally associated with the European Monetary System (EMS) will probably not be made until after the Austrian and British general elections next month, according to Dr. Hannes Androsch, the Austrian Vice-Chancellor and Finance Minister.

In an interview in Vienna at the weekend, Dr. Androsch said Austria would continue with its autonomous policy of linking the schilling to the Deutsche Mark and hence to the other currencies in the EMS. This was in line with the association that Austria had maintained with the European currency snake

Austria, however, would also like to put its relationship with the EMS on to a more formal footing by taking up some sort of "observer status" he said. This would allow Austria to play some part in EMS consultations and information-sharing and would also be in the interests of greater European integration by showing that "Europe is more than just the Nine."

Austria's desire for a formal link with the EMS had already been discussed with West Germany which was broadly in favour. But there was no hurry for the EEC partners to take a decision on this, particularly in view of the Austrian election in May.

Since Sweden and Norway — two other possible candidates for some kind of link with the EMS — were waiting for Britain's attitude towards the EMS to become clearer, the forthcoming UK general election provided another reason not to hurry matters.

Dr. Androsch said that no one in Austria now doubted that the hard schilling policy was the right one. The close link with the Deutsche Mark—which he described as "flexible, not slavish" — had helped to improve real incomes and spurred necessary structural changes in the economy.

Austrian inflation last year was down to 3.6 per cent and Dr. Androsch said that, despite the oil price increase, he hoped the figure could be reduced further in 1979 to below 3.5 per cent. This would roughly match the German inflation rate. Austria planned to borrow abroad this year no more than was necessary to offset the current account deficit, which Dr. Androsch thought would be less than the latest official forecast of Sch 15bn (£525m).

Strikes disrupt Spanish resorts

BY ROBERT GRAHAM IN MADRID

TOURISTS ON the Costa del Sol are facing an Easter week of disruptions, as a result of strikes by workers in hotels and restaurants in protest at the conduct of wage negotiations. The Hotel Owners' Association and union officials yesterday gave differing versions of the effect of the industrial action.

A spokesman for the hotel owners told the Financial Times that the strike was having only a limited impact. He said that 80 per cent of hotels, bars and restaurants were operating with no bookings cancelled.

However, a spokesman for the main union, the Communist-controlled Confederation of Workers Commissions, said the strike was 80 per cent effective around Marbella and Estepona, but in the Malaga area on Sunday, police had made several arrests and forcibly opened some establishments.

The hotel owners maintain that the strike is being conducted deliberately in Easter week to obtain the maximum effect. They also say that, because wage talks had earlier reached an impasse and a Government settlement had been imposed, they had no new offer to make.

The unions nevertheless claim that the Government settlement had been hurriedly imposed before they had been able to strike, so depriving them of a major bargaining counter. They believe the imposed settlement to be illegal.

The settlement centres on a pay offer of Pta 25,000 (£178) a month minimum wage, but excluding new social security benefits, which the unions want included. This is the third year running that Costa del Sol hotel workers have taken strike action.

Disputes threaten pollution control

By Brij Khindaria in Geneva

SUGGESTIONS for new international measures to combat pollution have become embroiled in major disputes between Eastern and Western European nations, and between the Nordic countries and other members of the Economic Commission for Europe (ECE).

At the centre of the disputes is a three-year-old Soviet proposal calling for separate "pan-European congresses" to discuss environment, energy and transport in the ECE region, which comprises all European countries, the Soviet Union, the U.S. and Canada.

The proposals for energy and transport conferences failed to make headway against continuing Western opposition, although this has softened slightly on energy issues because of the prospects of oil shortages and high prices after the revolution in Iran.

But, on Soviet insistence, the ECE member nations last year agreed to carry forward preparations for calling a "high-level" meeting this year on protection of the environment. The groundwork was laid by a group of expert advisers to ECE governments who have also made suggestions on the contents of separate international conventions dealing with air pollution and pollution caused by technological processes.

For the first time in its 32-year history, the ECE's annual session broke up inconclusively *last weekend because of a row* between the Soviet Union and the Common Market on the latter's participation in the planned high-level meeting.

The session resumes on April 23, but is likely to run into further trouble. The Community, which the Soviet Union does not recognise as an entity in matters other than trade, is insisting that it should be allowed to participate as such in in the high-level meeting.

The dispute between Eastern and Western countries stems from Eastern insistence that the meeting should have the widest possible scope and should be a stepping stone to a larger "congress," which would presumably produce a Europe-wide treaty on environmental protection.

The East fears it might be left out of the mainstream of innovation in the West concerning low-pollution technologies. It also wants to ensure that European rivers should not be hopelessly polluted by the time they reach Eastern territories.

The East wants to be able to do a little tub-thumping, as it did at the Helsinki conference on security and co-operation in Europe, while making sure that Western anti-pollution standards do not become barriers to its *trade and industrial co-operation* with the West.

The West is trading prudently in a potentially explosive area, where any hasty regulation could mean huge increases in investment costs to reduce industrial pollution. It is unwilling to take on international commitments which Governments might find difficult

The Nordic countries have run into confrontation with several other Western nations because they insist that air pollution should be a key element in the high-level meeting's agenda.

The Scandinavians are especially worried about pollution brought to them through the air from outside their borders. Their main concern is about the growing level of sulphur compounds in the atmosphere. Sweden, for example, complained to the ECE's annual session about the serious damage to 20,000 of its lakes caused by acid collected in the atmosphere by rain water.

If no action is taken to combat the emission of sulphur compounds *into the* atmosphere, Swedish forests will grow at slower rates, ground water will begin to contain dangerous amounts of acid, and heavy metals will be bleached from the soil, making it less fertile.

But under pressure from other ECE members, the Nordic countries withdrew a proposal containing measures to combat air pollution over long distances caused by sulphur compounds.

Fears over Italy's economic revival

BY PAUL BETTS IN ROME

MR. ALAN WHITTOME, European director of the International Monetary Fund, is back in Rome on one of his periodic visits to review the state of the Italian economy. But in sharp contrast with Italy's painstaking negotiations for a $530m loan with the IMF two years ago, the Italian monetary authorities have no intention of asking for new support from the fund, at *this stage at least*.

During the past two years, there has been a spectacular improvement of the economy with an overall balance of payments surplus of nearly L6000bn (£3.45bn) last year, continuing stability of the lira, a substantial increase in foreign exchange reserves, and a reduction of inflation from levels of more than 20 per cent to an annual rate of 12 per cent last year.

At the weekend, official figures indicated a sustained recovery in industrial output with an increase of 8.2 per cent in the volume of production last February compared with the same month last year, confirming the encouraging trend of the last quarter last year. Indeed, there has now also been an upward revision of last January's output figures showing an increase of 5.6 per cent over January 1978.

However, despite this overall improvement, there are growing anxieties that the situation could again deteriorate sharply. Retail price inflation is currently increasing above the 13 per cent mark, the impact of the renewal of a number of major national labour contracts threatens to act as a further stimulus to inflation, and the country's public sector borrowing requirement (PSBR) risks becoming seriously out of hand. Additional pressure on economic performance is also expected to come from the recent oil price increases.

Sig. Bruno Visentini, the new Budget Minister in the caretaker Government of Sig. Giulio Andreotti and the chairman of the Olivetti mechanical engineering and electronics group, warned at the weekend that wage and shorter working hours demands by trade unions were incompatible with the general target of *containing the rise* of labour costs, and prevent any real increases in wages over the next three years.

At the same time, labour unrest is spreading, eloquently reflecting the intransigent attitude of the labour rank-and-file in the present renewal of a *series of* three-year national labour contracts involving some 10m workers in the public and private sectors.

The current round of wage negotiations has been further soured by the country's general election campaign, which increasingly risks becoming focused on the key issue of whether or not the Communist Party should directly participate in any new government after the general election. On top of this there are divisions not only between the unions but also between the various categories of employers.

In the case of the unions, the leadership is increasingly being undermined by its more militant base, which is showing no signs of accepting its leadership's more moderate stand on wages. For their part, the employers are divided in that representatives of the public sector industries, under pressure from the main political parties, are anxious to reach a settlement with the unions before the elections, while private employers are adopting a much harder line.

There also appear to be divisions between employers in large industries and representatives of small and medium-size companies. The former appear prepared to compromise on wages, while remaining intransigent on other labour requests *involving* shorter working hours, and a greater dialogue with the unions in future investment plans, particularly for the depressed south of the country. But small and medium-size industrialists are seemingly firmly opposed to any real increases in wages but appear willing to compromise

Padua police round up terrorist suspects

BY RUPERT CORNWELL IN ROME

THE Italian police have carried out a sweeping round-up of leading terrorist suspects, above all in the violence-ridden university city of Padua.

Anti-terrorist police carried out the first stage of a long-prepared operation at the weekend by arresting 15 top suspects, and issuing warrants for a dozen more on their wanted list.

The most spectacular raids have been in Padua. Among those taken into custody there was Sig. Antonio Negri, a lecturer at the political science faculty of the university, and considered the intellectual leader of the "*Autonomia Operaia*" (*Workers' Freedom*) extreme Left-wing organisation.

The charges brought against him and fellow detainees so far are the broad ones of insurrection against the State and of belonging to armed groups. But senior Rome magistrates have also been *called in*, and there *is* strong speculation that further charges may be laid relating to the kidnap and murder last year of Sig. Aldo Moro, the former Prime Minister.

If these insistent reports are borne out, it would mean that close links exist between the Red Brigades and the so-called "autonomous" groups, which are strongly rooted in the turbulent and frustrated world of Italian student life.

Meanwhile, police yesterday announced the capture of Chilean-born Sr. Juan Paicallar Soto in the centre of Rome. Wanted for some two years, Sr. Soto is alleged to be a leader of the "Azione Rivoluzionaria" (*Revolutionary Action*) *terrorist* group.

Although Padua magistrates stressed yesterday that the police swoop had been long prepared, its timing looks anything but fortuitous. It has been widely feared that the Italian general election campaign, full of public appearances by top politicians, would offer tempting targets for a repeat of the Moro outrage.

In the city itself, where in the past three weeks two Communist-sympathising professors have been violently attacked by extremists, the atmosphere is said to be very tense. Further meetings and demonstrations have been called by autonomist leader in protest at the wave of arrests.

The caretaker Government of Sig. Giulio Andreotti, meanwhile, is expected to announce the election date today, after consultations with the Council of State. But it is still unclear whether the Prime Minister will be able *to link* the Italian domestic poll with the European direct elections already set for June 10. If not, the most widely canvassed alternative would be a week earlier, on June 3.

The Bank of Italy last night ruled out any further easing of lending restrictions for *commercial banks, in an effort* to prevent the economic recovery now underway provoking a runaway upsurge in inflation.

Ceilings for the expansion of eligible loans will remain at 18 per cent above the March 1978 baseline for next month, *21* per cent for July and a similar figure for September. This amount to a maximum permitted lending growth of 16 per cent for the year to September.

The central bank said last night that a few months ago a loosening of curbs might reasonably have been expected. But now that expectations of inflation had increased, any such move could merely serve to finance a speculative wave of stock-building by companies.

Monetary authorities will review the credit position in September. In the meantime the maximum *on* loans exempted from restrictions will stay at L100m (£60,000). *The latest Government* estimates for this year provide

Belgian reactor move reversed

BY GILES MERRITT IN BRUSSELS

THE BELGIAN Government yesterday pushed through a royal decree invalidating the decision taken by the mayor of Huy, to close one of the country's biggest nuclear power stations.

Belgium is now mulling over the implications of the "Tihange affaire," in which municipal ordinances were used to order the immediate shutdown of a reactor on the River Meuse.

M. Fernand Hubin, the mayor, apparently convinced he was averting a crisis comparable to that at Three-Mile Island, Pennsylvania, succeeded in halting the Westinghouse *pressurised water plant for at* least four days.

The Tihange reactor is jointly operated by Belgian Intercom Electricity Company and Electricité de France. The two utilities expect losses of about £1.5m because of the shutdown.

Belgium relies on atomic energy for about 25 per cent of its power supplies, and after the Three-Mile Island incident, demonstrations have been held that could cast a shadow on the country's ambitious nuclear programme.

On Sunday, an emergency meeting of Belgian Cabinet Ministers decided to reverse the Tihange closure. King Baudouin yesterday signed the royal decree, understood to be one of the few legal instruments capable of invalidating a *mayoral decision*.

It is unlikely that the Tihange incident has yet ended. The technicalities of the situation that led M. Hubin to order a shutdown are still under dispute. The Tihange complex has a history of alleged radioactive leakage.

● The European Commission has sent two senior officials to the U.S. to investigate the Three Mile Island accident, it announced in Brussels *yesterday*.

EEC Environment Ministers were told by Sig. Lorenzo Natali, EEC Commissioner responsible for nuclear safety, that after the investigation, a further assessment would be made.

The Committee on Nuclear Safety would examine evidence *on the Harrisburg accident with* a view to proposing joint action by the Nine on nuclear safety procedures, Sig. Natali explained.

Liberal backing grows in Sweden

BY WILLIAM DULLFORCE IN STOCKHOLM

FOR THE first time in over a decade, the Liberals have greater backing among voters than either of the two other non-Socialist parties in Sweden. With less than six months to go to the general election, the three non-Socialist parties together command sufficient electoral support to repeat their 1976 victory, which ousted the Social Democrats from power for the first time in 44 years.

These are the highlights of the latest opinion poll carried out by the SIFO organisation. Between February and March the Liberals, whose minority Cabinet under Mr. Ola Ullsten has governed the country since last October, shot ahead by 3.5 per cent to 18.5 per cent of the electorate.

At the same time, Mr. Olof Palme's Social Democrats dropped by 2.5 per cent to 42 per cent, their lowest rating since the 1976 election. With the Centre Party (17 per cent) and the Moderates (15 per cent) showing only minor declines, the three non-Socialist parties have 50.5 per cent of the Swedish voters behind them.

In the SIFO polls, the Social Democrats have lost 8.5 per cent of voters over the past six months. This development is *the more remarkable* as Mr. Palme seemed to be poised for a return to office when the non-Socialist coalition Government broke apart last October over nuclear power policy.

The latest poll was taken on March 27, the day before the radiation leak at the Harrisburg nuclear power plant in the U.S., which has revitalised the nuclear debate in Sweden. Last week, Mr. Palme reversed Social Democrat policy by agreeing that no further nuclear power stations should be fuelled for the time being, and that a referendum should be held on the Swedish nuclear programme.

The Liberals had expected to win parliamentary approval for the completion of 12 nuclear stations with Social Democrat and Moderate support. The position now is that all the Swedish parties have accepted the need *for* a referendum, but are still divided over whether it should be held before or after the September general election.

Dublin port shutdown threatened

By Our Dublin Correspondent

IRISH CITIZENS, already short of oil, short of coal, and without postal services for the past two months, may find their situation getting even worse as a result of a crane drivers strike which threatens to shut down Dublin port.

The Irish Congress of Trade Unions will today consider a request from the 39 crane men for an "all-out picket" which would have the effect of bringing the docks to a standstill. Their action has already caused *an acute shortage of coal and* only smaller oil tankers are able to berth.

Oil is already in extremely short supply. The government says any shortfall because of the Iranian crisis should only be of the order of 5 per cent but Labour spokesmen have accused the oil companies of stockpiling supplies in the hope of making a profit if a price application—said to be about 7p a gallon—is granted.

Diesel oil seems almost unobtainable and farming organisations warned today that farmers might not be able to sow if the situation is not *remedied soon*.

● Mostek, the U.S. microelectronics company, formally announced yesterday that it is planning to invest £42m in a new plant in the Republic of Ireland, writes Max Wilkinson.

The Irish Development Authority would not disclose *how much it is contributing in* direct subsidy for the project.

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Giles Merritt, in Brussels, on NATO interest in Peking's armaments needs

Vietnam sortie showed need to modernise war machine

THE RECENT border conflict between China and Vietnam was observed with undisguised interest by NATO analysts. One *commented at the Alliance's* headquarters here that they had been watching from the sidelines "but not from the periphery."

For to the military planners and political experts at the North Atlantic Treaty Organisation nothing that has an effect on the Soviet Union can be counted as peripheral. A less readily acknowledged factor is the important question of Chinese armament needs that have been underlined during the fighting.

NATO's 15-nation membership also spans almost all the major arms producers now open to Peking, and there is a delicate balance between bilateral deals on military hardware that they can strike and the Alliance's wider needs.

NATO chiefs still have Moscow's advice on the long-term consequences of equipping China ringing in their ears. But *selling armaments to the* People's Liberation Army (PLA), it is felt, will not turn the world's largest military machine into one of the most potent or aggressive.

China's army, according to NATO observers, has progressed little since the Korean war almost 30 years ago, and its technology remains that of the 1950s. The arms Peking seeks to replace are the obsolete T-34 tanks and MiG-17/19 aircraft dating from before the split with Moscow, which would bring the PLA into the early 1960s.

The present generation of weaponry, with its emphasis on electronics and lasers, is something to which China and its 3.5m-strong regular army may not be able to aspire until toward the end of the century.

At the heart of China's problems in developing an army that would deny the USSR its *present over-whelming military* initiative along the Sino-Soviet border lies the Cultural Revolution of 10 years ago. Its dismantling of the education system has meant that China at present has no emerging generation of scientists and technologists.

"Put at its simplest," comments one NATO-based observer, "They are hard put to man an old-fashioned military radar installation, let alone a modern electronic surveillance system."

The Chinese answer to the problem comes in two parts. Peking is conscious of the fact that even were it not missing a whole generation of technical cadres to officer an updated army, buying armaments inevitably keeps a country up to 15 years behind those countries that develop them.

One of the aims of China's programme for sending its *students in their thousands to* overseas universities is believed to be the acceleration of the day when China can innovate its own weapons technology.

One point that is underscored is that the few competent scientists available in the aftermath of the Cultural Revolution, were concentrated on China's military nuclear project.

In the meantime, there is a complementary drive to stop as many of the gaps in China's defences as is possible through purchasing hardware and know-how. The NATO view is that the Chinese shopping list is *strictly for defensive weapons*.

Cost is an important factor, for while Peking's military spending has reversed direction and now appears to be rising above 3 per cent of gross national product, the cash amounts are not large. "I would guess," said one China-*watcher* at NATO, "that even Canadian spending on defence is 20 times greater per capita."

Topping the list, following the conflict with Vietnam and with an eye to the tank terrain along much of the Soviet border, is an effective anti-tank missile. Next comes a modern battlefield tank.

China reportedly is negotiating with France to extend its buying of H O T anti-tank missiles to include the technology. On such expensive items as tanks, however, it is unclear whether the Chinese will opt to buy modern ones—such as the French AMX-30—in their hundreds or will decide that *such a comparatively small* nucleus of modern armour is not worthwhile.

With military spending being kept in tandem with industrial development as Peking's priorities, the Chinese authorities are faced constantly with such dilemmas.

Versatile combat-reconnaissance aircraft, such as the 200 Harriers that provoked Russian indignation, are badly needed, but so too is a modern, rapid-firing standard infantry rifle to equip China's militia and reservists.

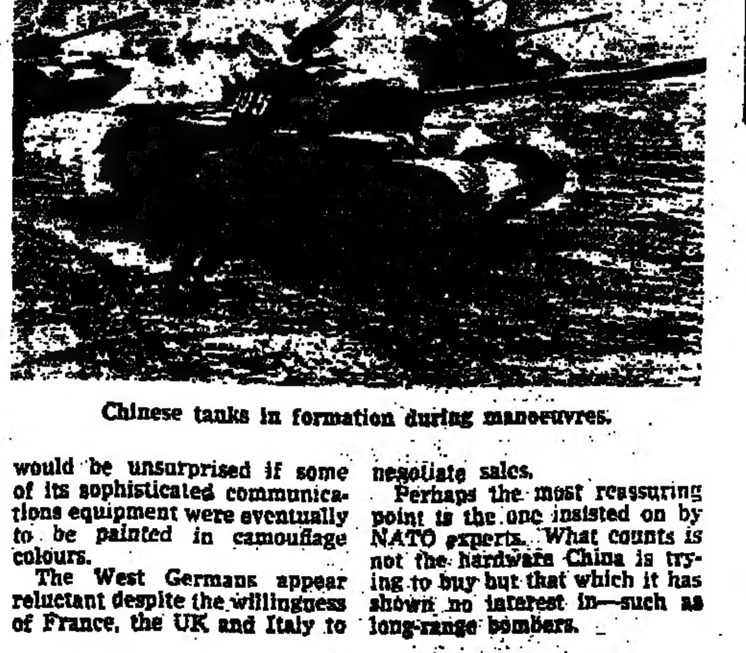
These rival needs appear to lie behind the observation made by one weapons procurement specialist that "The Chinese never seem to know what they want or what they will use to pay for it."

Equally important is the fact that Western arms producers are also divided and undecided. The U.S. does not sell, but *recently made it plain that it* does not oppose sales of defensive weapons by other nations.

Canada does not sell for military purposes, but probably would be unsurprised if some of its sophisticated communications equipment were eventually to be *painted* in camouflage colours.

The West Germans appear reluctant despite the willingness of France, the UK and Italy to negotiate sales.

Perhaps the most reassuring point is the one insisted on by NATO experts. What counts is not the hardware China is trying to buy but that which it has shown no interest in—such as long-range bombers.



Chinese tanks in formation during manoeuvres.

Rhodesia polling starts today

BY TONY HAWKINS IN SALISBURY

VOTING in Rhodesia's majority-rule elections starts today with four contests on the whites-only voters' roll between supporters of Mr. Ian Smith's Rhodesian Front and little-known independent candidates.

Under the 1979 constitution, agreed between the ruling Rhodesian Front and the domestic nationalist parties, 28 seats in the 100-seat assembly have been reserved for whites. In 16 of those seats, Rhodesian Front candidates, including Mr. Smith, have been returned unopposed.

In a further eight seats, the electoral procedure provides for a run-off between 16 white candidates all of them nominated by the Front, in indirect elections in which the 72 black MPs and 20 directly-elected white MPs will constitute an electoral college. The run-off vote is to be held next month.

This leaves four contested white seats for which about 23,000 white, coloured (mixed blood) and Asian voters are due to vote today.

A relatively low poll is expected in the four constituencies—two in Salisbury one in Bulawayo and one in Umtali—with the Smith candidates expected to win easily, thereby giving the Front all 28 white seats.

Voting for the 72 black seats starts next Tuesday with polling booths staying open until Saturday evening. Nearly 3m voters, all but 140,000 of them black, are entitled to vote. A massive security operation is in operation with most white men aged between 18 and 50 called up to counter threats from the Nkomo-Mugabe Patriotic Front to attack the 2,000 polling booths and to disrupt the poll.

As polling approaches, officials are increasingly confident of a good turnout. A month ago, officials were saying they would be satisfied with 40 per cent, but they are now talking confidently of securing a poll of between 50 per cent and 60 per cent.

Voting will be on a proportional-representation basis for the 72 black seats. The country has been devided into eight provinces, each of which has been allocated a stated number of seats. Within each province, seats will be allocated in proportion to the votes cast for each party.

Five black parties are fighting these seats—Bishop Abel Muzorewa's United African National Council, the Rev. Ndabaningi Sithole's Zanu, Chief Jeremiah Chirau's Zupo, Chief Ndiweni's United National Federal Party, and the small and little-known National Democratic Union.

Bishop Muzorewa is expected to win at least 60 per cent of the black vote which would give him a minimum of 43 seats in the 100-seat assembly. The Bishop is anxious to win at least 51 seats, thereby giving his party an overall majority.

Mr. Sithole has strong support in the eastern districts of Rhodesia and in parts of the Midlands and South-East. He is talking confidently of winning the poll, but observers believe he may win ten seats or less.

Chief Chirau and Chief Ndiweni are unknown quantities, Chief Chirau believes he is picking up support from younger blacks who favour an all-party conference, since the Chief, despite his broadly conservative policies, is the one domestic black politician most committed to all-party talks with Mr. Joshua Nkomo and Mr. Robert Mugabe. His party may also attract a significant white vote.

Chief Ndiweni is the standard bearer for the Ndebele people, whose popular leader is Joshua Nkomo. If there is a good turnout in Nkomo country in western Rhodesia, Chief Ndiweni is likely to be the main beneficiary. A more likely prospect is a very low poll.

It is conceivable, though unlikely, that Mr. Smith's Rhodesian Front, with 28 seats, will be the largest single party and as such entitled to claim the post of Prime Minister in the national unity Government that is to be established next month. A substantial victory for Bishop Muzorewa is more likely. But in terms of last November's coalition agreement, the first black Prime Minister is required to allocate Cabinet posts to every party that wins at least five seats.

Thus Mr. Smith, with 28 seats, is certain of five Cabinet posts in the first majority-rule Government, despite the fact that the Bishop could well emerge from the poll with an overall majority and in no need of a coalition.

Ohira gains in Japan's local elections

By Richard Hanson in Tokyo

MR. MASAYOSHI OHIRA, Japan's Prime Minister, appears to have strengthened his hand considerably in local elections which drew back into the conservative-centrist political fold the governorships of Japan's two largest cities, Tokyo and Osaka, after years of reformist control.

A patchwork of coalitions put together by Mr. Ohira's ruling Liberal Democratic Party swept conservative and middle-of-the-road candidates to victory in all 15 prefectural governorships at stake in nationwide local elections on Sunday. It was the LDP's first political test since Mr. Ohira took office in December last year.

More important to Mr. Ohira, perhaps, was the party's solid showing in elections to local assemblies, where the LDP gained and the leading opposition group, the Japan Socialist Party, lost a large number of seats—mostly to the Japan Communist Party which managed to recover to the levels of four years ago.

The results set the stage now for Mr. Ohira to dissolve the present Diet (parliament) and to call for the first general election since the LDP suffered a serious setback late in 1976. It is expected an election will take place in October or November.

The gubernatorial races showed all the signs of Mr. Ohira's greatest asset—an ability to draw opposing groups together. His consensus-seeking style (pursued with enormous patience, his other great virtue) led to joint support of candidates by the LDP, the Budhist-oriented Komeito and the middle-of-the road Democratic-Socialists (DSP).

Rupee devalued

The Reserve Bank of India yesterday announced a devaluation of the rupee by 2.04 per cent against sterling K. K. Sharma writes from New Delhi. The announcement follows a 1.8 per cent devaluation against sterling last month and brings the new middle rate against the pound to 17.15 rupees as against 16.8 rupees.

Israel accuses Egyptians of peace treaty violation

BY DAVID LENNON IN TEL AVIV

ISRAEL yesterday accused Egypt of violating the spirit and the letter of the peace agreement signed last month between the two countries by declaring that it might join a war started by Syria to recover the Israeli-occupied Golan Heights.

This follows reports that Dr. Mustapha Khalil, the Egyptian Premier, said that if Syria attempted to liberate the Golan Heights this would be considered a defensive war and that the joint Arab defence pact to which Egypt is a signatory could be invoked.

The Foreign Ministry spokesman at his regular briefing in Jerusalem yesterday said that if these reports were accurate, it would be cause for concern in Israel.

The spokesman noted that Dr. Khalil had called on Arab oil producers to use their economic power to force Israel to withdraw from other occupied Arab territories. He also pointed out that Dr. Boutros Ghali, the Minister of State at the Foreign Ministry, had said that Egypt might give assistance to the Palestine Liberation Organisation.

The spokesman expressed surprise that Egypt should be making such statements before the peace treaty had even been ratified in the Egyptian Parliament. He did not know if the development would lead to a delay in the exchange of the instruments of ratification, now scheduled for next Monday. But he said that Israel would take "political and diplomatic steps as required," without specifying what those steps might be.

Since there is no constant daily contact between Egypt and Israel, Jerusalem may ask the U.S. to clarify in Cairo the implications of the latest turn of events.

Roger Matthews reports from Cairo: The Egyptian people are to be asked to vote on the peace treaty with Israel, but it is not clear whether this will be arranged before the instruments of ratification have been exchanged. Pesident Sadat is expected to announce a referendum later this week when he makes another speech outlining plans for introducing "greater democracy" and "eliminating all the causes of complaint by the people."

Cairo newspapers said yesterday that the constitution would be amended to allow for the ceation of more political parties. It would also provide for the Press to become "the fourth power in the state" while clearly defining the "values of society" to which every citizen will be committed.

Leaflets expressing opposition to the peace treaty with Israel and Egypt's growing economic dependence on the U.S. have been seized by police during a raid on the offices of the small Left-wing Unionist Progressive Party which has two Members of Parliament. Officials said the leaflets aimed at inciting the people against the Government by casting doubts on President Sadat's efforts to achieve a just and lasting peace.

Western journalists 'shot as mercenaries' in Uganda

NAIROBI—The Ugandan Foreign Ministry said yesterday that four foreigners had been captured and shot dead in Uganda. This appears to confirm report that four Western journalists had been executed.

The Ministry's statement said: "Four foreign mercenaries, uniformed and armed, have been shot dead after coming into Uganda in a boat over Lake Victoria."

The announcement came the day after reports that two Swedish and two German journalists had been captured and executed in Kampala after trying to sneak into Uganda by boat from Kenya.

Meanwhile, troops loyal to President Idi Amin were reported fighting back with new strength yesterday against invading Tanzanians and Ugandan rebels in the southern suburbs of the capital.

Residents said more troops and armoured cars were moving through the Ugandan capital than had been seen since army units mutinied and disbanded several weeks ago in the face of the invasion.

Ugandan exile sources said President Amin had formed a blocking force of up to 3,000 soldiers on the road leading south from Kampala to the rebel-held international airport at Entebbe.

The force was reported to be made up of the Bondo reserve battalion of Nubians, drafted in from the President's native region in the north-west, and what was left of the Ugandan Malire regiment.

They were drawn up mainly in the Lubowa coffee plantation, five miles south of Kampala. The plantation had been held by pro-Amin Libyan troops until they were evacuated through northern air bases last week.

Kampala residents said sporadic artillery duels were continuing yesterday in the plantation area. Heavy firing had been reported throughout Saturday and Sunday.

Diplmats said the invaders had captured the town of Fort Portal, close to the Zaire border, and now controlled the whole of western Uganda.

Agencies

Miners walk out after riot at new S. Africa gold mine

BY QUENTIN PEEL IN JOHANNESBURG

ALMOST 4,000 black mineworkers at South Africa's newest gold mine, Anglo American's R183m (£105m) Elandsrand operation, stopped work yesterday on the eve of the mine's official opening, following a weekend riot.

Several hundred miners went on the rampage on Sunday night, smashing furniture and windows, and attempting to set buildings on fire in the new "model" compound for migrant workers. Hostel buildings, a changing room, a shop and a bar were damaged, as well as a computer controlled clocking-in machine at the pit head.

An Anglo American spokesman said yesterday that the official opening, to be performed by Dr. Herman W. Abs, honorary president of Deutsche Bank and a personal friend of Mr. Harry Oppenheimer, the chairman of Anglo American, would still go ahead. But a planned underground tour might have to be cancelled.

Only 108 of the mine's 4,080 black employees reported for work yesterday morning, and afterwards several hundred held a protest meeting on the mine's football field. Police said they were "fairly peaceful but in a defiant mood."

There was no immediately apparent cause of the riot, the company spokesman said, although reports from the mine, near Carletonville on the West Rand, said the men were in dispute over their bonuses. By not reporting for work yesterday the men are automatically in breach of their contracts and run the risk of being summarily sent home to their tribal homelands.

The riot is highly embarrassing to Anglo American, not only because today's opening was to be a ceremony with hundreds of guests, but also because Elandsrand has been a model operation. The estimated R183m capital cost is R17m within the R200 estimate, and the mine was brought into production last December, more than two years ahead of schedule.

Pakistan denies raids across Afghan border

BY CHRIS SHERWELL IN ISLAMABAD

PAKISTAN has denied as "completely false and baseless" allegations by Afghanistan that Pakistani troops raided four police posts across the border on Saturday.

The denial came amid continuing reports of fighting in Afghanistan's mountainous eastern provinces of Kunar, Nooristan and Paktia. The alleged incident coincided with a visit to Kabul by General Alexei Alexeyevich, the Soviet Union's First Deputy Minister of Defence.

According to Radio Kabul, a large number of Pakistani troops crossed into Paktia in the guise of Afghans and suffered heavy losses when they tried to attack the police posts.

Pakistan's Foreign Affairs Ministry yesterday described the allegation as "preposterous." It pointed out that Pakistan had a policy of good neighbourliness and had not retaliated when Afghanistan shelled Pakistani territory, nor when its air force violated Pakistan's airspace.

It is suspected here that units of the Afghan armed forces may have suffered reverses in recent days in Paktia. The Soviet general's visit to Kabul is believed to be aimed at assessing Afghanistan's security situation.

One of the Afghan Moslem groups opposed to the Government of Mr. Nur. Mohammad Taraki claimed on Sunday that its supporters attacked the police posts. The group also reported continued fighting in Nooristan and Kunar.

That information is supported by other reports available in Pakistan and from Kabul. The Taraki Government appears to be stretched severely in these areas.

AP-DJ reports from Tokyo: Japan has exchanged Notes with Afghanistan promising $325,000 in grants to help Kabul finance its economic development programme and to improve standards of living.

The Japanese Foreign Ministry said yesterday the Notes were exchanged in Kabul on Sunday.

UAE troops to leave Lebanon

By Ihsan Hijazi in Beirut

THE United Arab Emirates have decided to withdraw the UAE battalion which has been serving with the Arab League deterrent force in Lebanon.

Sheikh Zayed Ben Sultan, President of the UAE, told Dr. Selim al-Hoss, the Lebansese Prime Minister, of the decision in Abu Dhabi yesterday. Dr. Hoss is touring Gulf states to seek Arab support for Lebanon and financial aid for its reconstruction.

The UAE unit of about 600 men is expected to leave by April 28 when the present mandate of the Arab force expires.

Saudi Arabia withdrew its 1,200 soldiers last month. The recall of the UAE contingent will leave Syria as the sole contributor to the Arab force, which was set up 2½ years ago after the Lebanese civil war.

The force mandate has been extended by the Arab League for three months until July 28. But the extension may not be sufficient because Lebanon's armed forces will not be ready to take over law-and-order duties throughout the country by that date.

Fed urged to raise U.S. interest rates

BY JOHN WYLES IN NEW YORK

PUBLIC AND private pressure on the Federal Reserve Board to boost U.S. interest rates appears to be growing, following indications that unexpected strength in the economy is hindering attempts to curb inflation.

Government figures published on Friday showing that unemployment remained at its lowest level for four years in March and that consumer credit expanded at a 14 per cent annual rate in February are being cited as evidence that an economic slowdown is still too distant to help in cutting inflation.

The Senate banking committee has issued a report which is said to be supported by Mr. Michael Blumenthal, the Treasury Secretary, calling on the Fed to tighten credit "until significant progress has been made in reducing inflation."

The Fed's open market committee is to meet to decide its interest rate strategy for the coming month amid reports that it will be urged by the Administration to boost short-term rates. The Fed has not altered its target for the Fed funds rate, the dominant short-term interest rate in the money markets, since last December, partly, it is believed, to try not to drive the economy into a recession.

But the strength of the dollar and hopes that the Administration's anti-inflation pay and price guidelines would start to rein in the rate of price increases have also affected the Fed's stance. In addition, the Central Bank has witnessed a virtual halt in the growth of the U.S. money supply and has therefore had even less reason to firm up interest rates.

Despite reports about possible Administration pressure, it is still possible that the Fed will want more evidence of the underlying state of the economy before taking the plunge.

Some private economists argue that various leading indicators, including the money supply and a drop in housing starts, are already pointing to a slowdown and that an early move to raise interest rates would be premature.

The monthly survey of the National Association of Purchasing Management is the latest piece of evidence of a stronger than expected economy. According to the survey new orders, production inventories, sales and employment and forward orders in March "all point to robust business activity."

Some 84 per cent of the Association's members acknowledged paying more for materials for industrial products during March, the highest proportion since May, 1974. The survey also pointed to an unusually sharp increase in inventories during March with some 31 per cent of members reporting an increase in stocks, the highest since July of last year.

One of the biggest imponderables complicating economic policy at the moment is the trucking industry dispute. It has already shut down a large part of the car industry and will weaken a broader range of industrial activity the longer it continues.

The length of the dispute is in the Administration's control to the extent that its refusal to endorse a settlement significantly above its guidelines is stiffening the trucking employers' resistance.

THE CHEMICAL TRAIN after being derailed at Crestview. One wagon, containing carbolic acid, caught fire after an explosion, setting two other wagons alight. Another wagon carrying sulphur sent up dense yellow fumes.

Poisonous cloud threatens towns

CIVIL DEFENCE forces stood by yesterday to evacuate thousands more people from towns in the path of a poisonous cloud billowing from the wreckage of a goods train, loaded with dangerous chemicals and derailed near Crestview, North Florida, at the weekend.

Some 5,000 people have *already been moved to safety* from homes and camp sites in an 80-square-mile area surrounding the disaster.

Thirteen of 30 chemical-laden wagons left the tracks as the Louisville and Nashville train crossed a tressle bridge over the Yellow River three miles from Crestview. Yesterday, officials were watching closely for any change in wind direction, which would mean putting further evacuation plans into effect.

Police said the chemicals carried in the train included ammonia, acetone, alcohol, sulphur and carbolic acid.

One wagon, believed to be carrying carbolic acid, had exploded and caught fire, setting two other wagons ablaze. One of the other wagons carrying sulphur began pouring dense yellow fumes into the air. The cause of the derailment was not immediately known.

In Crestview, emergency centres were set up, while police and repair gangs tried to stop the spread of the toxic chemicals.

Approaching thunderstorms were last night threatening a wind-shift that would push the fumes towards the town, which has a population of about 8,000.

So far, only one person has been injured. He was taken to hospital for observation, after inhaling dangerous fumes while trekking through the woods.

"Chlorine gas is starting to smell pretty bad—burning noses," a Civil Defence worker stationed near Crestview said.

"On a scale of one-to-10, this accident rates pretty high," Mr. George Moein, chief of the Environmental Protection Agency's hazardous spill section in Atlanta, added.

Several accidents have occurred on this stretch of rail line in recent years. Just over 13 months ago, a tanker wagon exploded, sending clouds of chlorine gas over the countryside, killing eight people.

Agencies

Mexico uses oil cash for industrial expansion

By William Chislett in Mexico

THE MEXICAN Government has announced its long awaited national industrial development *plan which specifies how the* country's rapidly increasing oil wealth will be used. The plan envisages a large-scale expansion of industry rather than using the money to improve inadequate social services.

Mexico has the sixth largest proven oil reserves in the world with 40bn barrels. Britain's proved reserves are 19bn and Saudi Arabia's 167bn. Pemex, the state owned oil monopoly, earned almost $2bn (£1bn) last year in exports.

The plan confirms that the present oil production of 1.5m b/d will be levelled off at 2.25m b/d in 1980 and that export earnings will be held to about $5bn a year until 1982 to avoid overheating the economy. The valves will not be opened up to satisfy the needs of countries like the U.S. before 1982.

It is the Government's intention to use the oil revenue to widen greatly the structure of the economy, so its dependence on oil revenue will drop from 35 per cent of total exchange earnings in 1982 to 14 per cent in 1990.

The plan for the years 1979-1982, when the term of office of President Lopez Portillo ends, embodies this thinking. *It is the first coherent policy* on how the oil wealth should be used and also for the first time, it goes beyond the period of an incumbent administration and envisages some industrial strategy up until 1990.

Full effect

Previous economic plans parallelled the six-year Presidential terms of office. The Gov*ernment now feels that plan*ning has to be made on a longer basis if the full effect of the petrodollars on the country's economy is to be properly gauged, and the risk of going down the inflationary road of other oil-producing countries, like Venezuela, is to be avoided.

This implies that the next government may well follow the guidelines of the plan although such things are unpredictable in Mexico.

It is recognised by the Government that unemployment in Mexico — population [illegible] — is the "most important obstacle to be overcome." But it is hoping that by using the oil money to expand industry, rather than to tackle the pressing lack of homes, schools and medical services, this will lead to the creation of an increasing number of jobs. Unemployment and underemployment are estimated at 40 per cent.

The plan predicts an average 7 per cent a year GDP growth rate until 1982 and possibly as much as 10 per cent after that.

It also sees investment of $37.9bn for decentralised government agencies between 1979 and 1982; $72m between 1983 and 1986 and $113m between 1987 and 1990.

Petrochemicals

Priority goes to oil, steel, electricity, capital goods, agro-industry, petrochemicals, pharmaceuticals, textiles, shoes and cars.

Decentralisation is a prominent part of the plan with the creation of 11 new development zones, including four development ports—Tampico and Coatzacoalcos on the Gulf Coast and Las Truchas and Salina Cruz on the Pacific.

Fiscal incentives will no longer be given to new private industry in Mexico City, Guadalajara and Monterrey. Instead it will go to the new investors in the 11 zones. Tax credits of 25 per cent will be granted and the costs of one in every five jobs will be financed.

Those industries investing in the development-poor areas will also get 30 per cent cheaper electricity, natural gas and fuel oil, which are all Government monopolies.

The Government estimates that this will create on average 600,000 new jobs a year from now until 1982. This is still 200,000 short of meeting the demand for about 800,000 new jobs a year.

But the impact on the balance of payments current account will be considerable. Instead of accumulating a current account surplus of $3.2bn between 1979 and 1982, a deficit of $2bn is now predicted as a result of the massive expenditure of the oil revenue.

Foreign debt

This figure is felt to be a perfectly acceptable one and, as the Government has already said, it does not intend to use the oil money to reduce greatly the public foreign debt which at present stands at about $26bn. Rather, the maturity structure will be improved to reduce the short-term proportion.

By the year 2000, Mexico's population will be more than 100m. The country does not produce nearly enough food to support itself and the plan draws a gloomy conclusion if agricultural production fails to rise by 3 per cent a year—the figure needed just to keep up with the population increase.

If the impoverished agricultural sector does not meet that target then in 1982 about 21 per cent of the petrodollars will go to pay for goods imports and in 1990 54 per cent.

Brazil to impose drastic curbs in inflation fight

BY DIANA SMITH IN RIO DE JANEIRO

CONFIRMATION THAT Brazil's monthly inflation rate rose to 5.8 per cent in March—the highest since March 1964—has caused consternation as 1979 was supposed to be the year when inflation could be reduced to an annual 35 per cent.

The Government has cut spending, intensified agricultural production, and restricted foreign borrowing, one of the main causes of pressure on the money supply, to pursue that aim.

The principal causes of the March rise are held to be food prices, including an increase of 110 per cent in the price of rice, and building costs.

Sr. Karlos Rischbieter, the new Treasury Minister, has said that there is no logical reason for such inordinate increases. He added that, if he had his way, price speculators would be thrown into jail.

Other Ministers have now confirmed that existing laws may be used to punish middlemen who shortchange producers and overcharge the public. Since early 1978, droughts, unseasonal rains, blights and other problems have assailed Brazilian agriculture and middlemen have taken advantage of these difficulties to push up food prices

The Government intends to announce a drastic package of anti-inflation measures before Easter and is reported to have deliberately delayed the announcement until the holiday to give the Brazilian public time to meditate at length on the belt tightening that will follow.

● Sr. Cesar Cals, the Minister of Mines and Energy, has said that the Carajas iron ore project is to be put back into production immediately. By 1984 Brazil's iron ore production would otherwise have levelled off at 60.9m tonnes a year, whereas demand, nationally and internationally will have risen to 87.3m tonnes a year.

Nicaragua devalues

MANAGUA — Nicaragua *yesterday devalued its currency*, the cordoba, by 22.2 per cent giving an exchange rate of nine cordobas to the U.S. dollar, the Central Bank announced.

The rate had been set at seven cordobas to the dollar for the past 40 years. The announcement followed a visit here by an International Monetary Fund delegation to study the country's economy.

Meanwhile, President Anastasio Somoza's air force bombed Left-wing guerrillas in Northern Nicaragua who had reportedly shot down a Government aircraft. The bombing followed the President's departure for the U.S. for his children's school holidays.

At least three Government aircraft were reported to have attacked suspected camps of the Sandinista National Liberation *Front near Estoli*, 80 miles north of Managua, on Sunday. A World War II-vintage C-47, armed with machine-guns, had been shot down by the guerrillas. Some guardsmen were reported killed in the fighting.

The Sandinistas led a two-week uprising against the Somoza family dictatorship last September. The National Guard crushed the rebellion, and an estimated 1,500 people were killed, but thousands of guerrillas and their civilian supporters escaped to Costa Rica.

President Somoza and a daughter left on his private aircraft at the week-end for a scheduled holiday in the U.S. They flew first to Topeka, Kansas, where the President's younger son, Julio, is at Washburn University, and were expected to fly to Miami yester-

Agencies

Canadian nuclear check

BY VICTOR MACKIE IN OTTAWA

THE Canadian Atomic Energy Control Board (AECB) has ordered an immediate review of reactor designs in the wake of the nuclear reactor accident at Harrisburg, Pennsylvania.

The AECB announced yesterday that it has received from its U.S. counterpart, the Nuclear Regulatory Commission, enough information about the accident to order all operators of the 20 CANDU pressurised heavy water nuclear reactors to report within seven days on whether it could happen here.

Assessment is to be made of the reliability of steam generator feed water supplies; the availability of back-up cooling systems; and whether the routine and emergency operating procedures are adequate.

Mr. Alastair Gillespie, the Energy Minister, said yesterday: "It is important that a prompt and detailed analysis of the unfortunate incident at the Three Mile Island plant be made in the context of the Canadian *nuclear* power programme."

Mr. Bob Blackburn, Secretary of the AECB, said: "There are no absolute guarantees that a similar type of accident cannot happen with a CANDU reactor."

In Montreal, a Hydro Quebec spokesman said steam generators in several CANDU nuclear power plants under construction are *defective* and *could* leak radioactive heavy water unless costly repairs are made. Reactors at Gentilly, Quebec, Pickering, Ontario and Pointe-Lepreau, New Brunswick, contain *faulty* tubing which may have to be replaced.

TOP OF THE LEAGUE

Vehicle production in Britain in 1978	
BL	**743,103**
Ford	430,879
Chrysler	214,098
General Motors	201,484

Source SMMT

Exports in 1977 (Latest available Industry figures)	
BL	**365,128**
Ford	221,983
Chrysler	132,963
General Motors	70,714

Source SMMT

HOME & AWAY.

BL is far and away Britain's leading motor manufacturer. We make almost as many vehicles as the whole of the rest of the motor industry in Britain. From Minis to 240 ton special purpose trucks.

And remember, nearly 30% of the vehicles the other major manufacturers sell in Britain are shipped in from overseas.

Unlike BL.

96% of our home sales are vehicles made in Britain.

We don't just make British.

We also buy British. Our purchases in Britain in 1978 were around £2 billion. Far more than any other UK-based motor manufacturer.

So much for our home record. Our record away is pretty impressive too.

Export statistics for the industry in 1978 are not yet available.

But our own export earnings of £910 million show that over 40% of the vehicles BL made in Britain last year were sold abroad.

And when you subtract our imports from our exports, you'll find we're Britain's biggest foreign currency earner.

And this, in a country that stands or falls on its exports.

So let's not forget.

A large successful British motor industry is fundamental to Britain.

We're large.

We're certainly British.

And we're on the way to being successful.

BL Limited

Iran still wants Airbuses but will renegotiate order

BY SIMON HENDERSON IN TEHRAN

IRAN AIR has returned its two Airbuses to the European manufacturers six months before their leases were to expire. But the airline is still expressing its long term intention to partially equip its fleet with Airbuses.

The two aircraft had been leased, complete with a West German maintenance crew, prior to the delivery of six Airbuses worth $250m over the next few years with options for three more.

The aircraft have been returned because the slow revival in passenger traffic since the two month strike prior to the February revolution has prevented full utilisation of the Airbuses. Iran Air is able to meet demand on its domestic and regional routes with its existing Boeing 727s and 737s.

In an interview with Financial Times, Mr. Houshang Tajadod, the newly appointed head of Iran Air, said that earlier reports that the Airbus order had been cancelled were incorrect. The airline is only seeking to revise the contracts, Mr. Tajadod said.

Iran Air wants to change the delivery date of the Airbuses and also revise the number of aircraft to be bought, he explained. The airline still believed that the Airbus was needed for its regional and domestic routes, but instead of six aircraft only four or five would be purchased. Mr. Tajadod added that the purchasing agreement for five Boeing 747s had not been cancelled either.

Since the revolution Iran Air has been hit by a ban on travelling by adult Iranian males which has only just been relaxed, as well as the sharp drop in business travellers to Iran.

Mr. Tajadod said business had not returned to previous levels but as far as he was concerned the airline was operating normally. He still intended that routes to the Far East and to Los Angeles should be opened up eventually, if not as early as originally planned.

The idea of a new civil airport for Tehran, 25 miles south of the city, was, however, a "dead duck" in his view. New terminals at the present Mehrabad Airport could absorb the growth in traffic and in the longer term the possibility was being considered of taking over the other side of the airfield, at present used by the Iranian Air Force.

Mitsui seeks partners

BY RICHARD HANSON IN TOKYO

MITSUI AND CO., leader of the Mitsui group of companies participating in Iran's huge Bandar Shahpur petrochemical complex, is to ask the Japanese Government and other Japanese companies to join the project.

Work on the petrochemical project has been suspended since last month when conditions in Iran made further progress impossible. The complex is about 85 per cent complete.

The Mitsui group of companies, which is the Japanese partner in the joint venture with Iran, feel that Japanese Government participation will help stabilise the situation. At the same time expanding the participation to a broad range of companies would give the project more of a "national project" flavour, spreading the risk.

At present, Mitsui is still sounding out other Japanese companies. One proposal under consideration would increase the capitalisation of the Iran joint venture company, Iran-Japan Petrochemical Corporation, to Y200bn (£457m) from Y100bn (£228m) to facilitate the expanded participation.

Sweden negotiates oil deal with Mexico

By William Dullforce in Stockholm

SWEDEN HAS negotiated an agreement in principle with Mexico for the supply of 3.5m tonnes of oil a year from 1981.

The deal was agreed during a visit last week to Mexico by Mr. Hadar Cars, Sweden's Trade Minister. Final details will be worked out when Sr. Santigao Roel, the Mexican Foreign Minister and Sr. Jose Andres de Oteyza, the Industry Minister visit Stockholm in June.

The price and type of oil remain to be negotiated but the Mexicans stressed that Sweden could not expect to receive only the lighter qualities, Mr. Cars said.

The question of whether the oil should be refined in Mexico or Sweden is also still open.

Mr. Cars was accompanied by 14 executives from leading Swedish export companies. A commission has been set up to further trade between the two countries.

Last year Sweden exported goods worth SKr 420m (£47m) to Mexico but took only SKr 70m in return. About 20 Swedish companies have branches in Mexico with annual sales of around SKr 1.3bn.

France-Egypt co-operation accord signed

PARIS — France and Egypt have signed a $95m (£48m) economic and technical co-operation agreement following a week of negotiations, the chief of the Egyptian delegation said yesterday.

Abdelazis Zahoui said the pact, signed on Saturday, calls for installation of a French air traffic control system at Egyptian airports, and French participation in improving Cairo's urban transport system and reorganising the Egyptian customs administration.

France also will build a sulphuric acid factory in Egypt and supply turbines and relay stations for the Egyptian power network.

A separate agreement calls for France to lend Egypt $27m to expand its sugar refineries.

● French wholesalers intend to increase the volume of orders for all types of goods to foreign suppliers in March and April following the decline observed between November and February, according to the National Statistics Institute in Paris.

Agencies

Hotel renovation plan for China

HONG KONG—An official with a U.S. building company involved in construction in China said the Chinese will probably renovate existing hotels rather than build many new ones.

Mr. Robert Kupfer, president of Turner International, part of the New York-based Turner Construction, said the Chinese have decided to renovate buildings because of problems in arranging financing for major hotel construction projects.

The Chinese are likely to contract with foreign construction companies to supervise the remodelling and with foreign hotel companies to help manage the refurbished properties, he said.

Turner has been involved with bids by two major U.S. hotel chains—Intercontinental and Hyatt International—to build hotels in China. Mr. Kupfer was in Peking last week to put the finishing touches on an agreement with China's Ministry of Foreign Trade to build a $500m foreign trade complex. Turner is part of a three-company U.S. group that agreed to build the complex.

The apparent retrenchment of the hotel projects is part of a general cutback in Chinese construction projects.

In Chicago, a Hyatt spokesman said he could not confirm that the Chinese may be shelving their hotel building plans. But he said he would not find it surprising in view of recent reports that Chinese officials are having second thoughts on their expansion plans because of inadequate cash, among other reasons.

Mr. Reynolds Burgund, Intercontinental's vice-president in charge of development, said in New York he is confident his company's China project will materialise.

AP-DJ

Talks on air agreement

TOKYO — Regular commercial flights between the U.S. and China are expected to start as early as November, the financial journal Nihon Keizai Shimbun said yesterday.

Japanese Transport Ministry officials declined to comment on the article which quoted aviation officials as saying Peking and Washington had been holding working-level talks on the issue since early this year when they resumed diplomatic ties.

Japan and China are to hold aviation talks in Peking next month, and the officials said it was possible that China would propose an agreement permitting Chinese aircraft to stop in Japan on their way to the U.S.

China needs such permission because it has not yet taken delivery of Boeing 747 jumbo jets which can fly non-stop to the U.S.

U.S. Commerce Secretary Juanita Kreps and Transportation Secretary Brock Adams are expected to visit Peking soon to work out a bilateral air agreement.

● China has proposed deals with two Japanese chemical firms on exports of plants and technology to produce petroleum protein as livestock feed, the newspaper Asahi reported yesterday.

It said Kanegafuchi Chemical Industry, Japan's major chemical producer, recently sent officials to Peking to discuss the Chinese offer in detail, and Dainippon Ink and Chemical has scheduled similar talks.

Agencies

KENYA-TANZANIA BORDER DISPUTE

Uganda war impedes solution

BY A SPECIAL CORRESPONDENT

ATTEMPTS AT reopening the Kenya-Tanzania border and at resolving the long-standing trade differences straining relations between the two countries have been further set back by the current fighting in neighbouring Uganda.

Diplomats say the two countries had been close to a compromise, thanks largely to pressure from the World Bank, but the war in Uganda has again soured relations between Nairobi and Dar es Salaam.

Tanzania closed the border in February, 1977, because of deteriorating trade relations within the East African Community, the customs union that linked Kenya, Tanzania and Uganda in a kind of regional Common Market. The Community finally split up in June, and the bitterness that resulted from it remains one of the fundamental factors affecting relationships among the former members.

It took a lot of arm-twisting by the World Bank, the East African Community's biggest creditor, to get all three parties to agree to the appointment of a mediator to sort out the wreckage of the Community. Dr. Victor Umbricht, a Swiss, took on the job in January, 1978, and sent a team of experts to all three countries to make an inventory of the assets and liabilities of the Community.

Dr. Umbricht's report, which is expected to be ready by June or July, will serve as the basis for future negotiations—negotiations which cannot take place until there is a government in Kampala.

The fighting in Uganda has emphasised the gulf dividing the two countries to the point where Tanzania has accused Kenya of helping President Idi Amin stay in power. Kenya has strongly denied the accusations, but observers say Kenya would certainly oppose having another hostile socialist state, allied to Tanzania, on its borders.

But the possibility also has been raised that in return for Kenya's recognition of whatever government is installed in Kampala, the Tanzanians would reopen the border. However, many agree that the objections to doing so in Dar es Salaam are still very strong, as much for political reasons as for the certainty that Tanzania would continue to run a massive trade deficit with Kenya.

The team appointed by Dr. Umbricht did find that all three countries showed themselves eager to clear up the mess left behind by the breakup of the community. The team said it received a lot of help from all three in the difficult task of identifying the Community's assets. At the time of the split property, vehicles and equipment were seized by each of the three states.

These assets include the giant office block headquarters of the Community at Arusha in Tanzania, the railways and harbours headquarters in Nairobi, the posts and telecommunications headquarters in Kampala as well as 16 aircraft, including four super VC10s, ships, factories, workshops, equipment, furniture and vehicles.

Just as sensitive an issue, say diplomats, will be the division of the considerable liabilities of the Community among the three partners. At the time of its breakup the Community owed the World Bank $173m, of which about $18m was undisbursed. In addition there was money owed to foreign governments, including £6.1m to the British.

But a central impediment to the recovery of the Community is Kenya's continued standing as the strongest trading partner of the three countries.

Before the breakup, it was widely acknowledged that the benefits of the association, though unevenly distributed, outweighed the liabilities. But it was generally thought that if the market was to survive, Kenya would have to make sacrifices, and this they did under the treaty for East African Co-operation, signed in 1967.

The Treaty established a customs union for manufactures and temporarily modified by a system of taxes on inter-state transfers. Kenya also agreed to move the headquarters of the Community from Nairobi to Tanzania and the post and telecommunications headquarters to Uganda. The treaty involved a system of "transfer taxes" which, in effect, allowed a deficit country to impose a tariff on manufactures from a surplus country. An East African Development Bank was also set up, which was required to allocate its funds on the basis of 38¾ per cent to Uganda and Tanzania and 22½ per cent to Kenya.

But the Treaty made no mention of the freedom of the movement of labour within the Community. It did not include agricultural produce in its charter, and the only reference to the movement of capital was to restrict it.

None the less, the Community functioned comparatively well, if rather slowly, for three years. It was the arrival of President Amin in 1971 which almost severed relations between Kampala and Dar es Salaam, and effectively impeded the Community from dealing with its difficulties.

The biggest of these remained Kenya's embarrasingly large trade surplus. In 1976, total inter-Community trade amounted to £83m, of which Kenya's exports to the other two contributed £66.6m. Tanzania ran a trade deficit of £15m with Kenya and also ran a small trade deficit with Uganda.

Political considerations got in the way of economic sense, according to observers, and Tanzania accused Kenya of wanting to run the Community as a private shop for its exports. Tanzania also said Kenya was bleeding capital from the other two countries. It imposed tighter restrictions on foreign exchange and banned some Kenyan exports.

Kenya replied that because Tanzania was committed to importing substantial amounts of Chinese goods to help pay for the Tanzam railway, it could not be an effective member of the Community. Kenya said it could supply all the other two countries' needs in dairy products, foodstuffs and pharmaceuticals, which were coming from outside the community. It was while these bitter exchanges were passing between the capitals that Tanzania decided to close the border.

It is that legacy of bitterness which will have to be overcome before normal economic and political relations between the three countries can start again.

The World Bank wants to see the Tanzania-Kenya trade and border dispute resolved, but many observers feel that local political and economic considerations, aggravated by the uncertain outcome of the Ugandan conflict, will delay any settlement for a long time.

Canada cuts car deficit

BY VICTOR MACKIE IN OTTAWA

CANADA'S LARGE deficit in its motor trade with the United States has been cut by 50.2 per cent to C$538m in 1978 from C$1.08bn in 1977, the statistics branch of the Canadian Government has reported.

It was the sixth consecutive year that Canada's imports of new motor vehicles, parts, tyres and tubes from the United States exceeded its exports of these products to the U.S. Under the 14-year-old Canada-U.S. auto pact there is free North American trade in most new North American-made vehicles and parts.

Canadian automotive imports from the U.S. totalled C$12.53bn in 1978, up 14.5 per cent from C$10.94bn in 1977. U.S. imports of Canadian automotive products totalled C$11.99bn, up 21.6 per cent from C$9.86bn in 1977.

Motor dumping alleged

PARIS—The French association of Electric Motor Manufacturers and six other European groups have jointly filed a formal complaint with the EEC.

The six other associations represent motor makers in Belgium, Denmark, Britain, Italy, the Netherlands and Germany.

The manufacturers said cheap electrical motors from Bulgaria, Hungary, Poland, East Germany, Romania, Czechoslovakia and Russia were being dumped in Europe at as much as 25-30 per cent below normal prices, depending on the country.

The French association noted that motors from the Communist Bloc were being sold in France at less than the cost of the raw materials used in their construction.

It suggested that the dumping was responsible for eliminating 50,000 jobs.

AP-D

British team to study N-plant

By David Fishlock, Science Editor

BRITAIN IS sending a team to the U.S. to investigate the accident at the 880 MW nuclear power station on Three Mile Island, Pennsylvannia.

This was announced yesterday by Mr. Glyn England, chairman of the Central Electricity Generating Board, which is making a study of the pressurised water reactor (PWR)—the type involved in the accident—with Government approval.

Mr. England stressed the electricity supply industry's intention of continuing with plans to build a demonstration PWR in Britain.

The Babcock and Wilcox design of PWR involved in the accident is one of four designs—three U.S. and one German—being examined by the CEGB with the idea of building a 1,300MW demonstration plant, probably at Sizwell in Essex or Hinkley Point in Somerset.

As Mr. England told the annual delegate conference of the Electrical Power Engineers' Association in York yesterday, the CEGB has the Government's approval to examine the PWR as an alternative to Britain's gas-cooled types of reactor.

Mr. England said that Mr. Anthony Wedgwood Benn, Secretary for Energy, had endorsed the Government's decision to order a PWR, provided design work was "satisfactorily completed and all

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BP faces $2bn U.S. claim over Libyan oil agreement

BY A. H. HERMANN, LEGAL CORRESPONDENT

A DALLAS court is to be asked to make a $2bn award against British Petroleum by Mr. Nelson Bunker Hunt, a U.S. oil millionaire, following a London High Court award of £17m to BP—the amount by which Mr. Hunt was found to have unjustly enriched himself in a joint Libyan venture with BP, frustrated by the nationalisation of oil fields in Libya.

Up to now Mr. Hunt's action in the U.S. District Court in Dallas, dormant since 1975, had been purely defensive, seeking a declaration that he does not owe anything to BP.

Though the London judgment will go to the Court of Appeal, no stay of the award was granted and BP could lay hands on Mr. Hunt's property if it could find any within the jurisdiction of English courts. Apart from his race horses, however, there is no public knowledge of any assets in the UK. BP has considerable assets in the U.S.

Contractual relations between BP and Mr. Hunt date from 1960 when BP agreed to operate a concession owned by Mr. Hunt and covering the Sarir oilfield in Libya. According to this agrement, Mr. Hunt had to receive a part of the oil but was not liable for any losses.

The present dispute concerns the period between December 1971, when BP's own concessions wer sequestrated by the Libyan Government, and May 1973 when Mr. Hunt's concession was also sequestrated.

BP claimed successfully in the High Court that the Libyan nationalisation frustrated its agreement with Mr. Hunt and that part of the oil which he had received before 1973 represented an unjust enrichment out of drilling operations carried out and financed by BP.

Yesterday's announcement of the counter-action, made by Mr. Hunt's London spokesman, seems to have come as a surprise to BP.

According to Mr. Hunt's London spokesman, his counterclaims fall into three categories. He alleges that BP failed to develop the field quickly enough, preferring to keep oil in the ground in what then appeared a safe and easily acessible area. His second complaint concerns the defensive action which BP, in secret agreementw ith other oil companies, took after the sequestration. In particular, Mr. Hunt claims that the "hot oil" actions which BP then took against carriers of oil from its sequestrated Libyan oil fields, claiming the oil to be its property, made it impossible for Mr. Hunt to export and distribute oil on behalf of the Libyan naional company (the Arab Gulf Exploration Company).

This in turn deprived him of oil from his concession earlier developed by BP and, he claims, worsened his relationship with the Libyan Government to the point that his concession was also sequestrated.

Mr. Hunt has also claimed that BP negotiated compensation from Libya without consulting him first, as they should have done according to his reading of the agreement.

These points were made by Mr. Hunt's counsel in the London High Court, but with no success. Mr. Hunt, who replaced his London lawyers recently, is likely to pursue them further in the Court of Appeal.

A BP spokesman said he believed the Dallas court had not yet decided whether it had jurisdiction over the case. Mr. Hunt's spokesman, however, said there was no jurisdictional problem in Dallas and the action there was merely suspended in order to await the High Court judgment.

Land shortage threat to home ownership

BY ANDREW TAYLOR

THE GROWTH of home ownership is being threatened by a shortage of available building land, the Building Societies Association says. It adds that in a number of cases Government policies were to blame for the shortage.

Mr. Ralph Stow, chairman of the association, says in its publication, Building Society Affairs, that only 150,000 new houses for owner occupation were built last year, compared with 152,000 in 1976. A further decline was expected this year.

The Government target of a modest increase in home ownership would not be met if building for owner occupation was not increased to between 170,000 and 190,000 units a year by 1981, rising to 215,000 by 1986.

A recent survey by the House-Builders Federation had shown that 76 per cent of builders regarded shortage of land at viable prices as one of the main reasons for their failure to meet demand.

Government land policies Mr. Stow says, had created concern on four counts:

- Some local authorities were reluctant to grant planning permission for individual developments while structure plans under the 1968 Town and Country Planning Act had either to be approved or finalised.
- Structure plans were increasingly reflecting "anti-growth philosophy" with too much concentration on inner-city developments, where building costs were high and marketability of housing open to doubt.

Housebuilding had fallen to a very low level since the introduction of the Community Land Act under which there was no motivation for local authorities to make land available to housebuilders.

- Development Land Tax was excessively complicated and had created uncertainty, even though the Government had made provisions to ensure that comparatively little tax would be paid on small disposals of land.

Mr. Stow says the constantly changing economic environment created great problems for housebuilders, compounded in a number of cases by what "are no more than administrative problems."

The publication confirms that a record 802,000 loans were made by building societies last year, of which 379,000 were to first-time buyers. More than 45 per cent of such buyers were earning less than the national average, and were able to buy houses costing less than £11,000.

Super pit seam thicker than expected

By John Lloyd

THE WISTOW seam of the National Coal Board's "super pit" at Selby, North Yorkshire, which has just been opened, is 4 inches thicker than expected.

The 8 ft 10 ins seam is one of five vertical shafts on the 100 sq mile development, which is expected to produce 10m tonnes of coal a year by the late 1980s.

Mr. Michael Eaton, director of the North Yorkshire area, said the development was likely to cost £600m on completion (at August 1978 prices)—£100m more than the original estimate.

Expenditure was subject to constant updating, he said.

While it is officially stated that the development will produce 250m tonnes of coal over 25 years, it is believed that the extraction rate could be much higher.

Mr. Eaton said the Coal Board had spent about £60m on the development and that expenditure was running at between £1.25m and £1.5m a week.

Contractors

Work has begun on all five shafts, together with the drift mine from which all the core will come. The main contractors are Cementation, a Trafalgar House subsidiary, and Thyssen.

While there have been some delays in the construction of the shafts, Mr. Bill Forrest, the engineer in charge of the project, said it was "pretty much on time now."

The first coal to be mined in commercial quantities will appear in 1981. Production is expected to build up to the 10m tonne level, or beyond, by 1987-1988.

About 4,000 mineworkers are expected to be employed at Selby when it is in full production, many of them to be drawn from old pits on the western side of the Yorkshire coalfield.

ICI plans to cut 450 jobs annually in fibres division

BY SUE CAMERON, CHEMICALS CORRESPONDENT

IMPERIAL CHEMICAL Industries is planning to cut 450 jobs a year in its fibres division between now and the mid-1980s.

The company has warned the 11,600 employees in the division that numbers will have to be reduced by about 4 per cent annually. The move follows a 30 per cent cut in the number of people employed by the division over the last three years.

But the group has stressed that the planned 4 per cent annual cut in job numbers is more of a "guiding figure" than a strict target. ICI has told employees that the number of staff the company employs "must" depend on what it sells. It has also said there is a need "to face up to any restructuring and regrouping" of the fibres business that may be necessary to cut numbers.

But the division has told employees that enforced redundancies will be avoided whereever possible. Jobs will go through natural wastage, voluntary severance and early retirement.

ICI said yesterday that the division had been hit by "enormous" increases in the cost of raw materials and by overcapacity in the fibres field, particularly in polyester. These factors had combined to "nullify" the division's otherwise successful efforts to cut costs and streamline its organisation.

Ulster asks for aid to small firms

By Our Belfast Correspondent

A wide-ranging report on ways of stimulating the growth of small businesses in Ulster has recommended that the Government adopt measures similar to those of the Irish Republic's Industrial Development Authority.

The study, by the Northern Ireland Chamber of Commerce and Industry, examined the problems of Ulster's 26,000 companies employing fewer than 100 people. This sector is dominated by very small businesses: more than 18,000 employ fewer than ten people, and 80 per cent of these are in service industries.

The report said that the Industrial Development Authority consistently demonstrated its ability to integrate and stimulate business projects of all kinds.

It recommended a study of the Authority's operation, and in particular its enterprise development programme, which is specifically directed at encouraging trained managers in large and medium-size companies to start out on their own.

The report suggested, too, that the Government should dispel the widely-held belief that it was more interested in attracting newcomers to Ulster than encouraging existing small companies to expand and diversify.

The present incentives were inadequate to encourage capital investment: general tax allowances and working capital concessions were needed for the first three years of a venture's operation.

Stimulating Small Business in Northern Ireland; from the Northern Ireland Chamber of Commerce, 22, Great Victoria Street, Belfast.

Engineering tool imports increase by 19%

BY LISA WOOD

ANXIETY OVER the increased imports of engineers' cutting tools was expressed yesterday at the annual meeting of the Federation of British Engineers' Tool Manufacturers.

The federation's annual report disclosed that in 1978 exports increased by 4 per cent in actual values to total £81.2m while imports were worth £60.9m, an increase in actual terms of 19 per cent over the previous year. The balance of trade in the industry, although still favourable, was reduced from £25.5m in 1977 to £20.3m in 1978.

Mr. Keith Wainwright, who was elected president of the federation for a second year, warned of the difficulties if the industry was to remain competitive in face of the increased cost of raw materials, increased wages and the weakness of the dollar in relation to sterling.

Magnitude

He pointed out that high speed steel prices had recently increased by more than 20 per cent, and wages by 10 to 12 per cent. He said: "No manufacturer can hope to absorb increases of this magnitude but such is the tougher nature of present day trading that some parts of these increases will need to be absorbed, thus causing manufacturers to seriously review manning levels, choice of raw materials and the benefits of rationalisation."

In the industry's attempt to compete in world markets manning levels must be trimmed.

- Today's National Economic Development Council progress report on machine tools addressed its recommendations mainly to management rather than to the Government.

The report revises the industry's targeted share of world markets in 1982 to 5.5 per cent. In the last report, published in 1977 the target was to raise the share from 5 to 6½ per cent.

The council said it had made the revision in the light of the prolonged world recession and intensified competition.

Recommendations include further emphasis on developing the range of products in advanced machines in view of increased competition in more basic products and the probability that demand for sophisticated machines will probably grow more rapidly.

The only recommendation addressed to the Government is that a study of product liability be undertaken at a cross-sector level within the Industrial Strategy as it is one that obviously concerns many branches of industry. The Government will soon issue a discussion paper on proposals concerning product liability legislation.

Government to call in £4.8m aid for Kirkby

By Our Industrial Editor

THE GOVERNMENT has formally joined the list of unsecured creditors of the Kirkby Manufacturing and Engineering workers' co-operative by telling the business's liquidator that it wants to call in the £4.8m it has provided in industrial aid.

Although there is little chance of this being recouped the move provides the Department of Industry with a seat at a meeting of the co-operative's creditors next week.

It also makes the Government the main creditor and gives it the chance to have a significant influence on the future of the co-operative's assets.

Woman boss for McCann

By Michael Thompson-Noel

Miss Ann Burdus: Moving into the McCann hot seat

MISS ANN BURDUS, 46, has become the first woman chairman of a top British advertising agency. She succeeds Mr. Nigel Grandfield at McCann and Company, who has resigned to join the Saatchi and Saatchi Group.

McCann is the holding company of one of Britain's biggest advertising groups, with annual billings in excess of £70m. The McCann vice-chairman, Mr. Barry Day, has been named group president.

Mr. Grandfield is having discussions with Saatchi and Saatchi — the Conservative Party's agency—about an unspecified venture.

For the past 15 months Miss Burdus has been working for McCann-Erickson International in New York as director of advertising development and strategic planning. McCann-Erickson International is the world's third largest advertising agency, and is part of the Interpublic group of companies.

Miss Burdus joined McCann London as research director in 1971, when billings were £10m.

Last year the main McCann agency in London billed £59m, making it second to J. Walter Thomson (£63.9m). At £55.1m, Saatchi and Saatchi Garland-Compton was the fourth biggest and the leading British-owned agency.

Shorts plans to produce Piper Tomahawks in Northern Ireland

BY LYNTON McLAIN

SHORT BROTHERS, the State-owned Belfast aerospace company, has reached agreement with the U.S. Piper Aircraft Corporation for the production in Northern Ireland of the Tomahawk trainer.

The move was announced yesterday in London as nearly 3,000 Short Brothers' shop-floor workers returned to work after a two-week strike over a pay dispute which closed the main Belfast factory and a smaller works in County Down.

Production of the Tomahawk will create only about 40 jobs initially, but the move is part of a longer-term plan for Short Brothers and Piper to co-operate on future aircraft designs, manufacture and sales.

The Tomahawk is one of the most successful new light aircraft in the US. Sales reached 1,400 in the first 15 months of production, although Short Brothers is expected to produce only 10 aircraft a month, possibly rising to 18 as the Belfast workforce gains experience and sales in Europe accelerate.

Short Brothers is to invest £500,000 in re-equipping premises vacated by the Royal Air Force last year and bought by the company.

The site is on the edge of Short Brothers' Belfast Harbour Airport and will be operated as a Tomahawk assembly centre by a new, wholly-owned subsidiary, Shorts Light Aircraft Company.

The investment is backed by aid from the Department of Industry and the Northern Ireland Department of Commerce, and agreement marks a successful end to Shorts' second bid to enter the rapidly growing market for light aircraft, now expanding at 7 per cent a year.

The company attempted to acquire the Britten-Norman (Bembridge) company and the Islander and Trislander aircraft assets of the Fairey group's Belgian subsidiary in August 1977.

The bid was rejected by the Fairey receiver three months later, and the Swiss Pilatus aircraft company eventually took over the assets last year.

Mr. Philip Foreman, Short Brothers' managing director and chief executive, said the latest move was aimed at broadening the company's product range. He accepted that earlier moves by UK aircraft makers to enter the light aviation field had met with "severe problems."

Half the company's turnover of £44.4m for the year to last August 31 came from aircraft, including the 330 Commuter airliner.

Production of the Tomahawk at Belfast will be based on container loads of parts made in the U.S. Components may later be made by Shorts, but this will depend on the success of the early production runs.

Assembly of the Tomahawk by Shorts will bring to an end the re-assembly of the aircraft by CSE Aviation at Carlisle. This company assembled the aircraft after it had been completed and certificated and then dismantled in the U.S. for shipment. The company will still be Piper's sales agent for Europe.

The improved efficiency of shipping parts instead of dismantled completed aircraft will cut the cost of making a Tomahawk in Britain by £1,000, Mr. Lyn Helms, the chairman and chief executive officer of Piper said yesterday.

Colliery's output at new peak

OLLERTON COLLIERY, Nottinghamshire, produced a record 27,027 tonnes of coal last week, compared with its previous best weekly output of 26,977 tonnes achieved almost eight years ago, the Coal Board said yesterday. The mine also set a record for its weekly overall output per man shift of 5.07 tonnes, 0.4 tonnes higher than the previous record set last December.

Advertising standards code updated

By Michael Thompson-Noel

THE ADVERTISING Standards Authority yesterday published a revised British Code of Advertising Practice. The self-regulatory code contains no major revisions, although its layout and presentation have been improved.

Lord Thomson of Monifieth, chairman of the authority, said the revised code was a mature, sophisticated example of an industry seeking to impose self-discipline on itself in its own interest.

Lord Thomson said the advertising industry was under test to prove that self-regulation was swifter, more flexible, cheaper and more efficient than state regulation.

The revised code, he said, ought to be as familiar to everyone in advertising as the Highway Code was to every driver.

Kite-maker wound up

PETER POWELL KITES, the company which introduced the stunt kite and exported it to Japan, was compulsorily wound up in the High Court yesterday.

Mr. Justice Vinelott made the order on a petition by Minaler Ltd., judgment creditors, for £24,107. No other creditors listed claims.

A previous petition against Peter Powell Kites, whose registered office is at 28 Cambray Place, Cheltenham, was dismissed by consent in December, 1977.

Friedman raps state interference

BY DAVID FREUD

GOVERNMENT manipulation of exchange rates, the introduction of exchange controls and the manipulation of trade flows had fragmented the world economy since 1931, Professor Milton Friedman, the U.S. economist, said last night.

Pofessor Friedman, delivering the first Harry G. Johnson memorial lecture in London, presented the results of a study he carried out with Dr. Anna Schwartz on monetary trends in the U.S. and UK.

The most interesting finding was the difference in the degree of unification of the two markets —in terms of similarity of price for identical products—before and after 1931, when Britain left the gold standard.

Using a detailed comparison of prices in different countries, Professor Irving Kravis had constructed estimates of the exchange rates that would equalise the purchasing power fo different currencies.

From this bench-mark figure it was possible to estimate the ration of this purchasing power exchange rate between the pound and dollar over the last century.

In the six decades to 1931, the ratio varied little, standing at about 1.1—meaning the pound could buy about 10 per cent more in the U Kthan $4.86, the official exchange rate, could buy in the U.S.

From 1931 onwards the position changed, with the purchasing power ratio varying from a low of 0.93 in 1938 to a high of 1.62 in 1950, Professor Friedman said.

In spite f the enormous improvements in transport and communications over the past century, in spite of all the talk of one-world and Leagues of Nations and United Nations, in spite of summit meetings, there world had been far more unified, financially and economically, before 1931 than since.

Industrialist to lead wool committee

BY RHYS DAVID

THE ECONOMIC development committee covering wool textiles has turned to the man-made fibres industry for its new chairman, Dr. Brian Smith, a director on ICI's main Board and until last year chairman of the group's fibres division.

Dr. Smith has just ended a two-year term as president of the British Textile Confederation during which he was closely involved in presenting the textile industry's case for continued safeguards against low-cost imports. He also is a vice-president of CIRFS, the European association for fibre producers, a post in which he helped prepare a European strategy for the sector.

Dr. Smith succeeds Mr. David Finlay-Maxwell as chairman of the economic development committee at a time of much tougher competition for the wool textile industry. Although it has had some success with exports, the industry has lost ground at home, and the committee has recently revised downwards its estimates of both output and employment.

Increasing competition faced by the industry in export markets was underlined in figures for January recently published by the industry's Press office in Bradford. These showed exports at £29.4m during January, a drop of £700,000 on December's and of £40,000 on those of January 1978.

Exports of wool cloth at £11.4m were 10 per cent down on January 1978, and 12 per cent less in volume. Exports of yarn were down also, but earnings from tops (combed wool) increased by 17 per cent to £4.7m and were 3 per cent greater in volume.

The industry is pointing out, however, that the lower figures in some sectors may have been due at least in part to the effects of the lorry drivers' strike which held up deliveries to the docks.

In the longer term the industry is hoping to export substantially more to the U.S. as a result of the reduction in wool textile tariffs included by the U.S. in its package of proposals at the GATT negotiations. The U.S., after considerable pressure from the UK and the EEC, is proposing to reduce its wool textile tariff from 44 per cent to 33 per cent, which should help make cloth produced in the UK and other EEC countries more competitive there. This GATT agreement is to be initialled in Geneva tomorrow.

Mr. John Smith, Britain's Secretary of State for Trade, has written to the TUC claiming that Britain has secured an important assurance on safeguards.

Britain has been pressing for GATT to allow selective action to be taken against one or a few countries when it is clear their imports are causing injury. At present, safeguard action, when invoked, must be used against all importers.

Mr. Smith, in his letter, says it has not been possible so far to secure international backing for Britain's proposal, but the EEC itself has accepted that selective safeguards may be appropriate to deal with sudden and abrupt market disturbance. "This meets our fundamental interest of being able to take action against particularly disruptive imports in order to maintain employment in sensitive UK industries without disrupting world trade on a wide basis," he writes.

Forecast of brief recovery in output

By David Freud

THERE could be some recovery in industrial output over the next few months, according to the latest circular from the London Business School Centre for Economic Forecasting.

The centre says a recovery is suggested by the acceleration in the real money supply, adjusted for inflation, which has grown at an annual rate of 5.7 per cent over the last three months. However, that growth is expected to weaken as inflation picks up and money stock expansion lessens following recent large sales of gilt-edged stock.

A 10 per cent increase in the price of oil—in world currency terms—would lead to a short-term increase in average world wholesale prices of 0.6 per cent, the centre calculates.

The UK is expected to suffer less than the average from inflation directly caused by higher prices, as its limited balance of payments exposure has resulted in an appreciation in sterling. Japan may suffer more than the average, as the balance of payments consequences have led to a fall in the yen.

The centre argues that world output will suffer during the second half of this year and into 1980 from any increase in prices. "Experience suggests that an increase in inflation will dampen demand."

Exaggerated

However, this movement may be exaggerated if governments respond to higher inflation by contracting monetary growth. The centre believes that within a year a 10 per cent increase in oil prices would reduce expected industrial output by up to 0.5 per cent.

City brokers doe Zoete and Bevan also argue that there could be a revival of economic activity over the coming quarter after a pause during the "winter of discontent."

The firm points out that the real money supply continues to increase rapidly, "which suggests that aggregate demand will remain buoyant over the next six months."

It argues that the excess demand for labour and goods present in the UK economy for many months show no signs of abating yet.

It would thus be mistaken to allow foreign inflows to force domestic interest rates to fall substantially.

Freedom urged for Britain's managers

BY LISA WOOD

BRITAIN'S MANAGERS needed to be freed from frustrations and obstructions and encouraged in their drive to improve productivity, Sir Monty Finniston, former chairman of British Steel and a director of Sears Holdings, said yesterday.

He was speaking in London at the 1978 Conservationist of the Year awards, sponsored by the Eutectic Castolin Institute. Awards are given by the institute, which researches and develops protective maintenance welding technology, in recognition of companies' contributions to saving materials, energy and money through protective maintenance welding.

First prize was won by Sheerness Steel, of Sheerness, Kent, which processes 400,000 tons of steel a year in two rolling mills producing bar and rod steel. Its products go to specialist users for reinforcement bars, wire, springs and other applications.

Sir Monty said that conservation was the basis of good management. "We have as a nation to manufacture efficiently and that is through good management.

"I believe that if the managements of any other country in the world had had to put up with the interferences and interventions we have had to put up with, they would have been bankrupt."

The solution to Britain's manufacturing difficulties did not rest with government intervention, the Trades Union Congress or the employers' federations; rather, it was up to management. "They have the expertise and the pride in their jobs to do it. Unless we encourage these people we will not get out of the problems."

Big pay increases could not be the only incentive. "We will not encourage people that much if frustrations and obstacles are not removed," said Sir Monty.

"We should only depend on individuals to use their abilities and meet their ambitions. Professional pride was all that Britain's managers had left, and they had to be given the freedom to operate without excessive government intervention, legislation and trade union activity.

The second award went to Hepworth Industrial Plastics, near Burnley, Lancashire. Third prize was awarded to Sir Francis Dashwood, Myze Farm, West Wycombe Estate, Buckinghamshire and a special award was made to Oxy-Gas and Electrical Equipment, Kent.

Buoyant demand lifts British heavy truck sale estimates

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

UK DEMAND for heavy trucks has been so buoyant in the first quarter of 1979 that manufacturers and suppliers have steeply revised sales estimates for the year.

Cummins, a leading supplier of truck engines, now believes articulated tractor unit sales in the UK could reach 14,000 in 1979 against a January forecast of 13,000.

If this estimate proves correct, it would still represent a drop from the 14,800 units registered last year. In historic terms, however, the year would be a very good one for the manufacturers.

Cummins is particularly interested in the performance of the market for articulated units because its share of those registered by UK manufacturers is steadily increasing — it was up from 35 to 36.7 per cent in 1978.

And, taking the UK heavy truck market as a whole (trucks of more than 24 tons gross), Cummins maintains its share will rise rapidly from the current 19 per cent to 30 per cent by the early-to-mid 1980s.

Cummins believes UK manufacturers will win back sales from imported trucks.

Manufacturing capacity should prove no problem. A £30m programme to double the 10,000 per year capacity of Cummins' plant at Shotts, Lanarkshire, where its range of 14-litre engines are made, is on schedule and will be completed by 1981.

About 60 per cent of Shotts business is automotive, compared with 40 per cent for Cummins total diesel engine sales.

A new Cummins parts distribution centre for Europe, the Middle East and Africa should be fully operational in Mechelin, Belgium, by October.

Car component makers 'face difficult conditions'

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

PROFIT PROSPECTS for motor component manufacturers are "not especially attractive," according to a report published by Inter Company Comparisons.

The report says the possibility of further petrol and diesel price increases could have a temporary effect on vehicle usage and replacement component demand. "The smaller companies within the industry will find conditions especially difficult, as they continue to compete with the large market share hungry groups, except in particular specialist areas."

Analysing the financial performance of 99 leading components and accessory manufacturers, the report shows the most profitable sectors are accessory and replacement manufacturing and ancillary components.

In the three years to March, 1978, profits for the companies surveyed rose by 86.4 per cent, while sales volume increased by 46.4 per cent.

Motor Components and Accessory Manufacturers; ICC Business Ratios, 81, City Road, London EC1Y 1BD; price £55.

More cars likely to fail brake test

By Kenneth Gooding

TESTS CARRIED out by Lucas Girling suggest that more than 40 per cent of cars will fail the roller brake test when it becomes a compulsory part of the MoT in June.

This is twice the failure rate under existing MoT regulations for poor braking performance which, according to the Transport Department, was just over 20 per cent for 1978.

Over the past 10 years Lucas Girling has examined more than 50,000 private cars using roller brake equipment and test criteria similar to those to be used when the new regulations come into force.

The latest test, in North London, involved 489 cars and produced a failure rate of 42 per cent—identical to that recorded in a similar test in 1978.

Of the cars tested, 81 per cent were three years old or more and of MoT examination age. The failure rate among these vehicles rose to 46 per cent.

Among the worst faults recorded by engineers at the test were complete failure of front brakes together with deficient rear brakes, unbalance brakes and handbrake failure.

Mr. Gordon Wainwright, technical service manager for Lucas Girling, said: "The uniformity of the failure rates throughout our 50,000 tests indicates that there will be an increase in the official failure rate

Post Office to buy 830 Leyland vans

Financial Times Reporter

LEYLAND VEHICLES has won its biggest order for postal vans. The Post Office has ordered 830, worth more than £5m, for delivery during the next 12 months.

The Post Office already has about 11,300 Leyland vans in service.

Leyland Vehicles, the bus, truck and tractor division of BL, will build the vans at its Bathgate plant in Scotland. The order is for 420 EA345 vans, with a 274 cu ft capacity, and 410 high-roof EA440 vans, with a 360 cu ft capacity.

Importers achieve record share of new car sales

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

OFFICIAL INDUSTRY figures today confirm that importers won a record 55.24 per cent of the UK new car market in March, and that they made their deepest-ever penetration for a first quarter by taking 53.97 per cent of total sales.

Demand in March remained particularly buoyant. Registrations, at 186,474 were 4.46 per cent higher than in the same month last year, according to the Society of Motor Manufacturers and Traders.

As a result, sales during the first quarter, at 476,093, were only marginally below the best-ever level of 1973 when registrations for the three months totalled 483,477.

With the Japanese restricting shipments in line with their voluntary agreement to take a "prudent" view of the UK market, the Common Market car companies have gained most from the continuing high demand for new cars.

Cars assembled outside the UK, but within the EEC, accounted for 38 per cent of the first-quarter market against 30.5 per cent in the same period

Some of this penetration is linked with Ford's "Europeanisation" process which is now complete. As a result, 47 per cent of the new Fords registered in the first quarter were assembled outside the UK. The comparable figure in 1978 was 33.4 per cent.

Indications are that the trend will continue — in March alone 49.65 per cent of new Fords were imported — as the group works towards capturing at least a 30 per cent market share this year.

Meanwhile, BL's first-quarter market shares fell from 26 per cent to 22.2 per cent, but the group maintains this just about matches its sales estimate.

In the wake of BL's discussions with Honda of Japan, the importance of individual models to manufacturers takes on renewed significance. Nothing is as god for market share as a successful and popular car.

Ford is having to import Cortinas from Belgium and West Germany to keep pace with demand for Britain's most popular vehicle. And imports from Spain reflect the success of the Fiesta: only 1,812 Fords came in from Spain in the first quarter of 1978 against nearly 12,500 in the same months this year.

Horizon impact

The "car of the year," Chrysler's Horizon, has had a similar impact on the trading balance. Chrysler brought in 9,388 of these French-built cars in the first quarter, against just over 1,000 in 1978.

Renault's R18, rivalling the Cortina and BL's Marina, has already gained some fleet sales. But Renault's 49 per cent jump in first-quarter sales and its emergence as the leading traditional importer (as against non-UK-based) reflects not only a popular range of cars, but also the company's policy of strengthening its UK dealer network. The company is planning to add up to 200 more service points to its present 415 franchised dealers.

Volvo achieved its best performance in the first quarter, thanks in part to demand for the manual version of its small car, the 343, to take 1.96 per cent of total sales. It sold three times as many 343s in March this year as in the same month last year.

Peugeot's entry into the mid-range saloon sector, the 305, has made an impact. It was not on the UK market this time last year, but in March captured 0.86 per cent of total new car sales.

As the 504 continues to be popular in Britain, Peugeot's first-quarter penetration is up from 1.42 to 2.14 per cent.

With all these cars competing for the market middle section, it is understandable that BL should want to replace its ageing Marina and the Allegro before 1983 — the probable date for the launch of a replacement — even if it takes a deal with another manufacturer to do so.

Vauxhall is bucking the trend towards imports by switching production of the Cavalier from Belgium to the UK. The company has a popular range now but cannot produce cars fast enough. The problem seems likely to persist until the autumn at least. Meanwhile, Vauxhall's market share in the first quarter fell from 7.23 to 6.91 per cent.

The manufacturers' society says the top 10 popular cars in the UK in March were: the Ford Cortina (21,002 sold); the Ford Escort (14,442); Austin Morris Mini (9,438); Austin Allegro (8,580); Morris Marina (7,050); Ford Fiesta (6,122); Ford Granada (5,947); Vauxhall Chevette (5,634); Ford Capri (5,220); Vauxhall Cavalier (4,118).

UK CAR REGISTRATIONS

	March				Three months ended March			
	1979	%	1978	%	1979	%	1978	%
Total UK produced	83,458	44.76	106,040	59.16	219,160	46.03	254,087	54.19
Total imported†	103,016	55.24	73,192	40.84	256,933	53.97	214,827	45.81
Total market	186,474	100.00	179,232	100.00	476,093	100.00	468,914	100.00
Ford*	52,750	28.29	41,395	23.10	126,777	26.63	123,728	26.39
BL—Austin Morris	32,019		47,439		83,856		98,073	
—Jaguar Rover Triumph	6,765		8,046		21,847		24,128	
Total BL*	38,784	20.80	55,485	30.96	105,703	22.20	122,201	26.06
PSA—Chrysler*	13,841	7.42	14,994	8.37	35,696	7.50	31,697	6.76
—Citroen	3,263	1.75	2,705	1.51	9,629	2.02	7,993	1.70
—Peugeot	3,573	1.92	2,101	1.17	10,183	2.14	6,669	1.42
Total PSA	20,677	11.09	19,800	11.05	55,508	11.66	46,359	9.88
GM—Vauxhall*	12,335		14,864		32,942		33,914	
—Opel	2,800		1,785		7,257		4,721	
—Other GM	110		119		273		153	
Total GM	15,245	8.18	16,768	9.36	40,472	8.50	38,788	8.27
Renault	12,691	6.81	6,166	3.44	27,914	5.86	18,751	4.00
Datsun	10,031	5.38	9,364	5.22	25,646	5.39	33,336	7.11
Fiat	8,844	4.74	7,262	4.05	21,330	4.48	21,153	4.51
VW/Audi	6,093	3.27	5,333	2.98	19,015	3.99	15,259	3.25

* Includes cars from companies' Continental associates which are not included in the total UK figures.
† Includes imports from all sources, including cars from Continental associates of UK companies.

Spanish chess piece sold for £25,000

SALEROOM

BY ANTONY THORNCROFT

A SPANISH ivory chess piece of the late 13th century, probably representing the king, sold for £25,000 yesterday in a Christie's sale of sculpture and works of art. Another good price was the £13,500 paid by a private English collector for a 14th century French ivory carving of a diptych leaf, which had twice previously appeared at Christie's, in 1913 it sold for £84 and in 1936 for £265.

A bronze figure of Venus went privately for £8,000 and a North Italian bronze centrepiece of the second half of the 16th century for £5,800. A Limoges gilt metal and enamel casket attributed to Couly I Nouailher and in the collection of Alfred de Rothschild also sold privately for £5,200.

Also at Christie's a continental porcelain sale totalled £123,803. A Meissen part dinner service was bought by Davis, a London dealer, for £15,000 and a single Meissen figure of Avvocato from the Comedia Dell'Arte made £5,500.

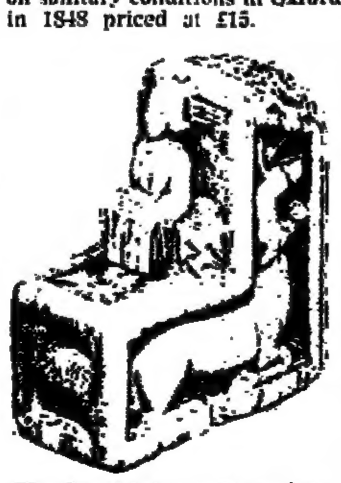
The first day of a Sotheby's auction of medical and scientific books brought in £53,349. Dawson acquired the three top lots: a first, presentation edition, of Thomas Addison's *On the constitutional and local effects of diseases of the supra renal capsules* 1855 (which first described Addisons disease), for £4,800; a second 1523 edition of *Isagoge* by Berengario da Carpi for the same price; and *Artznei* by Dryander for £3,000. Blackwell of Oxford acquired Galileo's *Dimostrazioni Matematiche* for £2,000.

In the sale of glass and paperweights, which totalled £34,960, a Dutch private buyer paid £1,650 for a Facon de Venise goblet of around 1660 while a Baccarat carpet ground paperweight realised £950. A pair of signed Clichy vases, one cracked, made £900.

On Friday, Christie's opened its second New York saleroom, Christie's East, modelled on the lines of Christie's South Kensington in London and concentrating on a quick throughput of the less expensive antiques. The first auction was of jewels and did very well for a total of £81,250. An art deco diamond ring made three times forecast at £2,100 while a brooch designed as a Buckingham Palace guard sold for eight times forecast at £400.

Meanwhile at Christie's South Kensington a tapering cylindrical coffee pot reached the top price in a silver sale at £27,531 and among the potlids "Christmas Eve" sold for £120.

Stanley Gibbons has extended its coverage of the antique markets by opening an antiquarian books department. It has already amassed almost 400 books which form its first catalogue. They range from a first edition of Newton's Principia of 1687, priced at £15,000, to a booklet on sanitary conditions in Oxford in 1848 priced at £15.



The Spanish ivory chess piece which sold for £25,000

Barcardi and Courage settle rum dispute

BY OUR CONSUMER AFFAIRS CORRESPONDENT

THE DISPUTE between the Bacardi company and the Courage brewers over alleged substitution of another brand of rum when Bacardi was requested, has been settled.

Bacardi's solicitors, Simmons and Simmons, said yesterday that legal proceedings against Courage and others had been terminated after a meeting between Bacardi and Courage.

The solicitors said: "Courage confirms its policy and intention that in its managed houses, when Bacardi rum is ordered, it is served, or if not available the fact of its unavailability should be clearly stated."

Bacardi also welcomed the assurance provided by Courage that it is its policy "to meet reasonable consumer demand for Bacardi rum in its managed houses."

Crusading PM stresses employment

BY PHILIP RAWSTORNE

A CONSERVATIVE Government would create "deserts of unemployment" throughout the country, Mr. James Callaghan said in Glasgow last night.

In the first major speech of his election tour, the Prime Minister launched a sharp attack on Conservative proposals for cutting government subsidies to industry and employment.

Conservatives would put more *than a million jobs at risk*, Mr. Callaghan declared.

"There is not a single part of the UK that would not suffer from the Conservative policy of cutting the jobs programme. They would turn Scotland, Wales, Northern Ireland and *many regions of England* into deserts of unemployment."

Mr. Callaghan listed more than 100,000 jobs with companies like British Steel, British Shipbuilders and Chrysler that would be "thrown away" in Scotland.

He contrasted the Tory proposals with Labour's commitment to raise the budget of the Scottish Development Agency by £500m and turn it into "a power house for Scottish employment."

Labour would also ensure that North Sea oil benefits were translated into more jobs for Scotland. "The difference between *Labour and the Conservatives* is that they believe the oil belongs to the multi-national companies but we believe it belongs to the people."

"The technological changes *that will sweep every country* and every industry in the coming decade are sufficiently daunting by themselves" he said. "We cannot afford to *hand over responsibility* to a party who believe the Government's role is to drop out."

Mr. Collaghan asserted: "Every major industrial nation is involved one way or another with protecting and preserving jobs. The Conservatives' do-nothing policy would be as *out of place in the competitive* world of the '80's as a cavalry charge against tanks."

Destruction

Voters would have to decide whether they wanted the work to create secure jobs to continue *or to risk the destruction* that would follow Tory cuts in subsidies.

Mr. Callaghan said: "When every *industrial* nation is wrestling with grave problems of inflation and unemployment it would be a tragedy for families in *every part of our* community if the Conservatives turned back the clock to the *1930s*."

The speed and scale of the new industrial revolution had increased the difficulties, Mr. Callaghan said.

"It is now more than ever vital that we have a Government able and willing to intervene positively to ensure *that Britain gains and does not* lose from the new industrial era.

"The amount of effort the *volume* of investment, the financial and technological resources required are far beyond the scope of individual *firms*.

"Whether we thrive or perish, whether we increase unemployment or provide more jobs—depends crucially on Government action in partnership with employers and trade unions."

Mr. Callaghan renewed *Labour's commitment* to Scottish devolution.

"This is the devolution election," he declared—precipitated by a "marriage of convenience *between* Tories and Scottish Nationalists."

"Not since Laurel and Hardy was there a more comical misalliance. I warned the SNP *they were turkeys—now it is* up to you to carve them up in the polling booths."

Solution

Mr. Callaghan said that the Scotland Act would remain on the statute book and the next *Labour Government would re*-open the offer to other parties of talks to find the best solution.

Mr. Callaghan concluded: "The difference between Labour and our opponents is that they preach yesterday's answers to yesterday's questions. Their thinking is marooned in the 1930s and their prejudice *in the 19th century*.

"*Our programme* is toned to the 1980s and the years beyond . . . . Britain must belong to the people. The idea of class division between masters and men is an idea whose time has *come*—and gone. For good."

Mr. Callaghan after yesterday's Press conference

'I don't endorse Benn' says PM

MR ANTHONY Wedgwood Benn's remark that a vote for the Labour Party would be a vote against the EEC drew a *curt response from the Prime* Minister yesterday.

"I do not endorse Benn, he does not endorse me," he said when questioned at his Press conference *about* the Energy Secretary's *weekend* speech.

"I am not here to comment on what anyone else says. We each make our own speeches. We are not a lot of automatons in the Labour Party."

Nevertheless, he *emphasised that all Labour* ministers, including Mr. Benn, were marching *towards* the same end: to put a stop to the Common Agricultural Policy in its present form.

Tough security

JOURNALISTS FACED the strictest security screening in postwar election history in Smith Square, London, yesterday when Labour opened the round of Press conferences.

Both main party headquarters in the normally quiet square are transformed at *general elections. Yesterday*, numerous police strictly regulated parking, and armed officers checked the credentials of every journalist arriving in the area. Plain clothes officers attended Mr. Callaghan's Press conference at Transport House.

Ecology boost

THE Ecology Party, which is fighting its first general election with 52 candidates, has won five minutes of television time.

The party, which wants *smaller schools, businesses and hospitals* and greater decentralisation, hopes to win support for its cause rather than seats in the Commons.

Shore attack

The Conservative proposal to offer council houses for sale at half-price was *attacked* yesterday by Mr. Peter Shore, Environment Secretary, as "frankly unfair."

"You owe an explanation to those trying to buy their own houses at full price," he said. "You also have to be fair to the taxpayer because somebody has to pay for these half-price houses at the end of the day."

Callaghan promises higher spending and lower taxes

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

FURTHER REDUCTIONS in income-tax under a Labour Government may be possible at the same time as increases in public expenditure, the Prime Minister declared yesterday when he launched his party's election campaign.

"You can do both provided you do it in moderation," he told a Press conference at Transport House.

Mr. Callaghan, in cheerful and buoyant form, also announced that Labour would give the Price Commission new powers, *not just to freeze prices*, but to reduce them where appropriate.

He disclosed that the total cost of the programme outlined in Labour's manifesto published *last Friday* would be *about* £2.5bn.

National unity would be the main theme of the Labour Party in the election battle and prices would be the central issue, he said.

This contrasted with a Tory *Government which*, he claimed, would introduce divisive measures including the scrapping of price controls and pay policy, increases in the charge for the health service and school meals and selling out to Europe over "the ridiculous Common Agricultural Policy."

Under Labour, income tax cuts would be concentrated on young people and average-paid workers by raising the starting point at which tax is *paid*.

Questioned on this point, he indicated that what he had in mind was a further increase in personal income tax allowances.

For the next Budget, Mr. Denis Healey, Chancellor, had made certain preparations which he had not been able to disclose.

"But you can take it that the general approach will be an increase in the allowances. We *shall proceed along these* lines," he said.

"My own expectations for the next five years of Labour Government is that we have both the prospects of increasing public expenditure and of cutting taxes."

The £2.5bn cost of the manifesto programme happened to be the size of the contingency allowance made out for 1982-83.

Thus—provided there was *higher* production and the economy was growing at a rate of "3 per cent plus" a year—there would be room for increasing expenditure and for tax cuts.

In some areas, such as defence, the Government had *already managed to reduce total* expenditure at a time when the Chancellor was lowering taxes.

He saw the election struggle as "a crusade not just a campaign." *As well as tax cuts and* the strengthening of the Price Commission. Labour's programme of national unity would include the large increase for pensioners this autumn, abolition of TV licences for pensioners, grants and loans for first time home buyers.

The Prime Minister repeated the target of bringing inflation down to 5 per cent by 1982 but made it clear that the approach *on this would be flexible*.

He would be prepared to settle for a rate of 5.5 per cent or 6 per cent if it was the best that could be achieved with the co-operation of the unions.

Mr. Callaghan again stressed the manifesto undertaking to *take much tougher powers to* ban unjustified price increases.

The price of gas, electricity, beer and petrol had all been held down by the *Price Commission*. But now the proposal to reduce prices, rather than just freeze them, would go much further.

"The Conservatives would abolish the Price Commission and so let prices rip," he alleged. "Our attitude and *policy will* be one of co-operation and not of conflict not only for industrial peace but to ensure *fairness to all*."

Heath revives the issues of 1974

By Ivor Owen

BRITAIN FACES a "hard *uphill fight" to turn the* economy round, Mr. Edward Heath said last night when he was adopted as Conservative candidate for Bexley, Sidcup.

He endorsed the view of Mrs. Margaret Thatcher, Opposition leader, that an *immediate start can be made* by providing incentives.

The former Tory Prime Minister suggested that the country was facing the same issues that *confronted* it in 1974 when he failed to secure a renewed mandate.

He declared: "The British people have learnt that reality and truth cannot be avoided by turning away their faces.

"They have learnt that the *Conservative Party which* put to them honestly and, indeed, in as stark a way as possible, the problems which faced this country, was correct.

"The British people will heed us now."

Mr. Heath emphasised the *need to find* a better means of improving pay and productivity.

Economic growth was the key, he said. It could be *turned off overnight, like a* tap, but could not be turned on that easily.

Incentives would make possible an immediate start. They should go to those who generated wealth, to provide rewards for hard work, to *encourage thrift and savings* and to help industries on which Britain's future industrial growth must depend.

Heseltine attacks Labour claims of compassion

BY ELINOR GOODMAN, LOBBY STAFF

MR MICHAEL HESELTINE, shadow Environment Secretary and, for a day at least, shadow media attraction, drove a well-polished knife right into the heart of Labour's crowded boasts yesterday.

To claim Labour was the party that cared, he argued, was a hoax and a fraud. In reality, *it was only the Conservative* Party that had the ability to "turn caring into doing" by creating the wealth necessary to pay for a caring society.

Taking up a theme made in some of the party's most successful party political broadcasts last year, he accused Labour of failing to translate *their pious words into action*. All too often their very incompetence got in the way.

And if that did not, then, he implied, there were enough *selfish Labour supporters* lurking in the union movement to undermine the party's claims to compassion.

He demanded to know what kind of caring it was that denied hospital beds to the sick and treated patients as pawns.

With Mrs. Thatcher being held in reserve until tomorrow, it was left to Mr. Heseltine to provide the main thrust of the *media counter-balance to Mr.* Callaghan yesterday.

Apparently, he had been chosen partly because the Conservative strategists regard him *as the nearest thing they have* got to Mohammed Ali—good-looking and quick on his feet—and partly by accident of Central Office's engagements *system*.

Certainly, it was as well Mrs. Thatcher herself had not gone along. *The* meeting was held at Wandsworth Constitutional Club where women are allowed beyond a thin brass line on the floor only by special dispensa*tion and may not buy drinks*.

Billed as an election meeting, it turned into a fully-fledged media event with assorted *lunch-time drinkers* and party workers separated from their hero by a barricade of cameras *and lights*.

Mr. Heseltine was pursuaded *to time his speech at exactly the* right moment to catch the fourth spot on the one o'clock news.

Mr. Heseltine began by launching his attack on the "myth" that Labour was the party that cared.

The Socialists might have a genuine desire to help the least *fortunate, but, he intoned*: "By their fruits ye shall know them." In his opinion, the fruits of Labour were clearly nothing to be proud of.

He then went on to repeat—almost word for word — the part of his Saturday speech outlining his party's policies on council house sales.

The detail was too much for the TV crews and halfway through, the hum of cameras came to an abrupt end. Mr.

Costs of direct labour criticised

By Rhys David, Northern Correspondent

AIMS, *the pro-Conservative* pressure group, has fired its first shot of the election campaign with a strong attack on the direct labour building department in Manchester—one of the biggest in the UK with a total workforce of 4,300.

In a report published yesterday, Mr. Malcolm Hoppe, an economist, accuses the Manchester department of being reluctant to face direct com*petition from private builders*, of inefficiency, and of preserving jobs at ratepayers' expense.

The report—intended to act as a further challenge to Labour plans to extend direct works and to nationalise parts of the building industry—accuses Manchester *of failing to follow* a Government recommendation that a considerable proportion of direct labour work should be won in competition.

"*In 1977-78, direct* labour appears to have obtained only four small housing projects by submitting its estimates for direct comparison with builders tenders.

"These projects totalled only 101 houses worth £892,000—or *less than 2.5 per cent of the* department's expenditure in *that year*," it says.

The margin by which it had won competitive tenders had been *lower than that* recommended by the chartered body covering public finance. In some cases, tenders accepted from the department had been higher than those from contracting firms.

Pym warns of Communist threat

BY JOHN HUNT

BRITAIN SHOULD take a new initiative with the U.S., the EEC and friendly African countries to halt the spread of Communism in Africa, Mr. Francis Pym, the Conservative foreign affairs spokesman, urged yesterday.

He also maintained that if the forthcoming Rhodesian elections take place in reasonably free and fair conditions, then Britain *should* do everything possible to secure international recognition for the new state.

Mr. Pym, who could be the new Foreign Secretary if the *Tories get power, told* party workers in Cambridgeshire that the threat of Communism had never loomed larger in Africa.

Britain should join with the other states in a new concerted policy.

This would give the strongest encouragement and support to democratic solutions to African problems. *It* would also oppose any attempts to deprive the *African* peoples of genuine independence.

Liberals aim at 'wedge' of 50 MPs

BY IVOR OWEN

REALISTIC ASSESSMENT *of the Liberals' election prospects* suggests that the party might have up to 50 MPs in the new *House of Commons. Mr. David* Steel, the party leader, told a Press conference in London yesterday.

Such a "powerful wedge," he *declared, would prevent ex*cesses by a Conservative or Labour Government, with every constituency captured by the Liberals representing another nail in the coffin of failed confrontation politics.

Casting aside dreams of becoming *the first party leader* since Asquith to form a Liberal Ministry, Mr. Steel abandoned *the 1974 concept of a* "Liberal Government or nothing" in favour of, what *he* termed the more realistic proposition of the wedge.

He reaffirmed his willingness to enter discussions with Mrs. Margaret Thatcher or Mr. *James Callaghan should the* voting on May 3 result in either of them heading the largest single party in the Commons without an overall majority.

Mr. Steel said that the purpose of such talks would be to agree a *common programme*. However, the Liberals would link with neither big party if, as *would have been the case* when Mr. Edward Heath approached Mr. Jeremy Thorpe in March, 1974, the resulting alliance failed to produce a majority in the Commons.

His hopes of securing the election of the largest number *of Liberal MPs seen at West*minster since the war did not rest on "ludicrous" optimism generated by the by-election success at Liverpool, Edge Hill, late last month.

Edge Hill, he said, had demonstrated what could be *achieved in seats where the* Liberals had prepared for victory.

Mr. Steel confirmed that the Liberals will contest more than 500 constituencies. He called for a massive Liberal vote throughout the country.

Given success, the wedge of Liberal MPs in the Commons would be able to prevent either *main party from having things* all its own way for five years and imposing its arrogant ideas on the country without having to listen to public opinion.

"They say they have all the answers now," Mr. Steel scoffed, "but we know better, because *if they had, we should not be* in the mess we are today."

Outlining the party's main *aims (the Liberal manifesto will be published today)* he called for reform of the tax system, the constitution, and the system of industrial relations and pay *determination*.

Like Mrs. Thatcher and Mr. Callaghan, Mr. Steel also advocated *substantial cuts in* personal taxation, with the basic rate of income tax reduced, over four or five years, to 20p in the pound.

He acknowledged the need for accompanying increases in indirect taxes and named VAT, *the employers' National* Insurance surcharge and the duty on alcohol and tobacco as obvious candidates for higher contributions to the national Exchequer.

Mr. Steel also confirmed that, although he will tour constituencies in the West Country this week, *he will not go to North* Devon to speak for Mr. Thorpe.

He explained that he could have visited North Devon only today or tomorrow. Mr. Thorpe *would not be officially* adopted as Liberal candidate until Thursday.

Mr. Steel promised that he would send a tape-recorded message *that Mr. Thorpe might* use during his campaign.

What would be in the message? "I don't know yet because I have not recorded it."

Freddie Mansfield

VOTES ARE the target, and *the "battle bus" a mobile* headquarters for Mr. David Steel, Liberal leader, seen stepping aboard to take his campaign into Newbury and Thatcham. His general election tour will take him to every region in the country.

The specially commissioned coach (left) includes a separate lounge for Mr. Steel, equipped with radio telephone, *two televisions* sets, electric typewriter and photocopier.

The coach has its own washroom, power generator and public address system.

Where appearance may deceive

BY STEWART DALBY

IN THEORY, Northern Ireland *is the one part of the* United Kingdom where it should be easy to predict the outcome of the election.

The Protestants, of whom there are 1m overwhelmingly want the province to remain part of Britain, and vote for *Unionist candidates*.

The Roman Catholics, of whom there are 500,000, mainly want a united Ireland and vote for what should loosely be called *nationalist or republican* candidates.

The Protestant Unionists have been dominant for more than 50 years since the local parliament at Stormont was set up and devised the Westminster constituencies over the years to ensure Protestant majorities all round.

The inherited democraphy, with population movements since 1922, meant that the Unionists could not quite guarantee majorities in all 12 seats.

In Belfast West, and Fermanagh-South Tyrone there are natural Roman Catholic majorities. Two others, Mid-Ulster and Down South, are only *marginally* Protestant.

But the people of Northern Ireland vote largely on sectarian lines. Other things being equal:

In the Protestant heartland of north-east Ulster Mr. James *Molyneaux, the* member for Antrim South, won 71.5 per cent of a 58 per cent turnout in the second 1974 election and had a majority of 38,432. Ulster *constituencies* are larger than those in Britain (that is why up to five more seats are to be given) but in *Antrim North the* Rev. Ian Paisley had a majority of 34,497.

The simple analysis breaks down because there is more *than one shade of* unionism and, since 1974 in particular, when the late Mr. Brian Faulkner went in for the power-sharing experiment, the Unionists *have* split many ways.

MR. ERNEST BAIRD, United Ulster Unionist Party leader, said yesterday he had withdrawn from the fight for the East Belfast seat and would run instead in Fermanagh—South Tyrone.

All *agree* that they do not want to be part of a united Ireland. However, they differ about how much they want to integrate with the UK and how much *they want a return* to a fully devolved parliament at Stormont.

Last weekend the Official Unionists, who held seven seats *in the old parliament*, met the United Ulster Unionist Party, which held one seat, the Unionist Party of Northern Ireland, Mr. Faulkner's old faction, *which held no seats, and* the tiny British Dominion Party.

The Democratic Unionist Party of the Rev. Ian Paisley was excluded, largely, it seems, because the Official Unionists have ruled out pacts with Mr. Paisley. Always a loner, Mr. Paisley plans to run two other candidates in the election.

The Alliance Party, non-sectarian and made up of Roman Catholics and Protestants, plans to contest *all 12* constituencies.

Two constituencies in particular might be taken from the Unionists. In Down, South, Mr. *Enoch Powell had a majority* last time of only 3,567 over Mr. Sean Hollywood, of the Social Democratic and Labour Party, the main Roman Catholic *moderate group*. The United Unionists say that they intend to run Mr. Cecil Harvey, a local businessman, in the constituency. He might take away Mr. Powell's majority.

In Belfast, East, Mr. William Craig, an official Unionist, faces threats from Mr. Peter Robinson of the Democratic Unionists, a *UPNI candidate*, and Mr. Oliver Napier, leader of the Alliance Party.

Admittedly Mr. Craig had a majority of 17,117 in the last *election, but it is not* inconceivable that that might be eroded, and Mr. Napier might win the seat if all those who say they plan to stand do so.

Mr. James Kilfedder, an Official Unionist until he left the party recently faces a new Official Unionist's being run against him in Down, North. However, he is a good constituency MP, and is thought to *have a large personal vote*.

THE JOBS COLUMN

International managers – official progress

BY MICHAEL DIXON

FAR beyond counting are the words spoken by assorted eminences about the United Kingdom's urgent need of more people capable of marketing and managing in other countries and cultures. At least every other day this column receives added evidence that the eminences, in this particular claim, are right. So what a stupidity it is that I have to report.

Gerry Earls is one such internationally capable managerial worker. Some time ago he decided to change from being a jet-lagged consultant, and to become a lecturer at Middlesex Polytechnic with a particular view to replacing himself many times over by teaching skills of cross-cultural management work.

In 1972 he began to set up jointly with the business school at Rheims in France a course in European business administration during which a mixture of French and British students could study together the best practices of both countries and equip themselves to work in either with equal facility.

About 15 of each nationality start at Rheims, spending two years in France including a five-month period in industry or commerce, then transferring to Middlesex Poly for a further two years including five months working in a British concern. Another group of about 15 from each country start at Middlesex and proceed the other way round.

At the end the successful British students gain a degree, and their French counterparts a "diplome." But unlike the UK education authorities which look down on a course unless almost all of its students emerge with a qualification, the French think a course cannot be much good unless it has a high failure rate. So among the bottom-placed students, the French get nothing at all whereas the British are awarded a third-class degree.

Entrants from the UK start with disadvantages, Mr. Earls told the Association of Teachers of Management conference in Cambridge the other day. The British must have Ordinary-level pass grades in the General Certificate of Education including both French and mathematics, and a GCE Advanced-level pass in one or the other. But they still generally need to be brought up to scratch in French language, maths and "logical skills."

But before long they are mostly holding their own—the language problem, for example, disappears after about four to six months of the course and at the end, to judge by the first graduates who emerged last summer, they are in great demand on the jobs market. Thus the Middlesex-Rheims joint venture seems to be that rare phenomenon: an educational programme producing culturally-transferable people whom employers really want.

Would you think, remembering the public pronouncements of the need for increased capability in international business, that the UK education authorities are encouraging British youngsters to take the joint programme? Of course not.

Year only

The UK students are not even entitled to the "mandatory" grants given readily and as of right to teenagers pursuing degrees in such topics as drama with sociology, or biblical studies with ancient history. Instead, the would-be international managers are left to hope that their humble application for some sort of grant will catch their local authority in a generous mood and with a bit of spare cash in the pot. And the fact that local authorities tend to be tight-fisted with such "discretionary" grants, is something Government Ministers regularly complain about.

The reason for this stupid denial is thought to be the view in officialdom that mandatory grants should not be available to people whose studies require them to spend more than a year overseas.

Possibly the bureaucrats fear that by encouraging a longer time abroad, they might lead the better students into deciding not to come back. If so, the bureaucrats have a point. "It would be a bit naive," said Gerry Earls, "when you set out to produce internationally capable managers, to think that you're going to get many of them to work in Britain as things are at present."

Any such reluctance to export the educational benefits of UK taxpayers' money by way of the Middlesex-Rheims enterprise, however, chimes weirdly with officialdom's actions in other instances.

Given 120 British students on the joint course at any one time, the total sum at stake—at the top rate of mandatory grant to be paid in 1979-80—would be £178,200 a year. But the Government admitted only last month that "well over £100m" of UK taxpayers' money is being used annually to subsidise the higher education in Britain of students from overseas. And most of these students come from the richer families in their home countries, and often also from rich territories such as the Middle East, the U.S. and Hong Kong. Indeed, the average subsidy enjoyed by each foreign youngster studying here seems to be getting on for £100 more than the highest rate of mandatory grant, which officialdom denies to its citizens who wish to take Mr. Earls's course.

The standard defence of the handsome hand-outs to students from overseas is that the subsidy will be returned with interest later, by the students' grateful urge to buy British after they have returned to take up influential positions in their own land.

If this claim is true (which I heartily doubt) it must surely be even more true of the British-bred people who go to managerial jobs abroad after gaining their bachelor's degree on the Middlesex-Rheims programme.

Moreover, the restriction of grant finance applied to bachelor-level students who spend more than a year overseas, does not seem to be applied at higher-degree level. Goodness knows how much UK taxpayers are forking out to assist people pursuing doctorate degrees by frequent overseas investigation of crucial phenomena like—to borrow the immortal phrase of Dr. Arthur Earle — wife-swapping in Pogoland.

The reason for the denial of the mandatory grant is not a failure by the course-organisers to let the bureaucrats know what is wanted. Gerry Earls told the conference that he has been vainly asking the education authorities for his required extension of the grant since 1974. But neither, apparently, is the reason necessarily any official disbelief in the value of the joint programe.

The programme may have been partly what was in the governmental mind late last year when provisions touching upon grants for students on "certain courses provided in conjunction with overseas institutions," were included in some newly proposed legislation.

A check with the Department of Education and Science indicates that the legislation itself would certainly not have granted the dearest wish of Mr. Earle and his UK students. But it would at least have given officialdom some basis on which to debate whether or not to make available the grant finance which the course-organisers have been requesting for the past five years. Unfortunately, however, that particular piece of legislation had still not reached the House of Lords before Parliament dissolved for the General Election. So the legislative process will have to start all over again, and whether and if so when the enabling provisions will be reintroduced, nobody can be sure.

All of which points to a final, important question. With a bureaucracy like this, who needs bailiffs?

(The next Jobs Column should appear on April 26.)

The Royal Hong Kong Jockey Club

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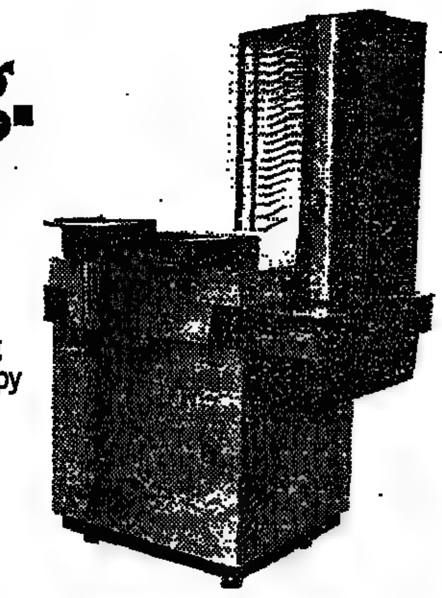

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All applications are treated in strict confidence.

UK NEWS—LABOUR

Dunlop blockade call by shop stewards

BY CHRISTIAN TYLER, LABOUR EDITOR

A COMPLETE halt to the movement of Dunlop products in the docks, by road or at inland container bases, is being called by shop stewards in support of the union fight against redundancies in the company's tyre division.

The call went out yesterday after it was decided at weekend meetings to extend the blacking already in force at Southampton and Liverpool docks and in Ford Motor's Halewood plant on Merseyside.

Meanwhile the unions fighting the planned closure of the Speke tyre factory in 10 days' time will today propose alternative plans which they hope will change Dunlop's decision.

They say that the sports, belting and motorcycle tyre departments should be kept going, with their 450 jobs. In the problem area, motor vehicle tyres, production should continue but negotiations would begin to reduce manning by about half to 1,000.

Talks should begin on introducing new products, and the Government should underwrite Dunlop's losses on Merseyside at a cost of about £2m.

In return, the union would grant concessions on manning and working practices, including a drive against absenteeism, the use of agreed disputes procedures, flexibility of craft and other labour.

They say that similar demands have been conceded by Dunlop's sister company, Pirelli, in Italy, where new investment has been directed towards depressed southern regions.

All redundancy notices at Speke, Fort Dunlop and Inchinnan in Glasgow should be withdrawn to allow negotiations to begin.

Meanwhile, the Government should introduce import controls, regardless of EEC rules—if necessary by imposing the kind of technical restrictions on foreign tyres used by West Germany and Japan.

There should be massive investment in all Dunlop's British plants, and a planning agreement with the unions and Government to organise the switch into new rubber products.

Tomorrow the unions are calling a second national day of protest against the company's plans, when further pressure will be put on carworkers to refuse to fit Dunlop tyres.

New finance union plans in danger of foundering

BY NICK GARNETT

DETAILED proposals to create one staff body for the English clearing banks and a TUC-affiliated union in finance are in danger of foundering because of big policy differences between the existing finance unions.

Prospects of a compromise appeared to be further weakened yesterday when the annual conference of the National Union of Bank Employees which yesterday changed its name to the Banking, Insurance and Finance Union (BIFU), decided that certain membership rules must apply even in a merged structure.

The merger proposals, designed to rebuild the clearing banks' national negotiating machinery which collapsed last year, were based on a report by Dr. Tom Johnston, chairman of the Scottish Manpower Services Commission.

He proposed one clearing bank union made up of separate staff sections and replacing the existing negotiating system which includes BIFU and the staff associations in Barclays, National Westminster and Lloyds.

The clearing bank union would be part of an umbrella body, affiliated to the TUC which would also include BIFU's members in other banks and finance houses.

The staff associations in National Westminster and Barclays are determined that the clearing bank union and the staff sections should have separate certificates of independence and that most of the negotiating and decision-making power should lie with these two tiers. The Lloyds staff association also wants separate certificates for the clearing bank union.

These associations see the umbrella body as an extremely loose federal structure which would probably not be acceptable to the TUC.

BIFU, however, wants the umbrella body to have a strong unitary structure with considerable powers.

Room for compromise on this was largely removed when the BIFU conference decided that the principle of direct membership should be maintained. This would mean that union membership would be held directly with the umbrella body rather than the clearing bank union and staff sections.

Members of the National Westminster staff association are being balloted on their attitude to a merger and to a TUC affiliation. Barclays staff association expects to ballot its members later this year.

● The new Banking, Insurance and Finance Union shut the door yesterday on negotiating extended opening hours in any bank on the British mainland.

The union's annual conference disregarded the advice of its own executive and voted to instruct its officers not to permit any extension of opening times in banks in England, Scotland and Wales, as well as the Channel Islands and the Isle of Man.

Losses in Fleet Street

A total of 26m copies of national daily and Sunday newspapers was lost through industrial action in the first three months of 1979, according to a report in UK Press Gazette, published yesterday.

The report, based on figures collected by the Newspaper Publishers Association from individual managements, shows that national newspapers lost 2m copies than the total lost by The Times since its closure on November 30 last year.

The title worst hit by action was The Sun, which lost 12.5m copies in the period. The Daily Mirror lost 6.9m and the Daily Telegraph 3.5m. The only dailies not to suffer losses were the Financial Times and Sporting Life.

Engineers at BBC threaten Easter TV

By Our Labour Staff

BBC television programmes for Easter weekend were threatened yesterday with disruption when engineers decided to take industrial action over a long-standing regrading claim.

The go-ahead for action was given at Guildford, Surrey, where the Association of Broadcasting Staff, which was involved in the pre-Christmas television blackout lasting for three days, held its annual meeting.

The row centres on engineers at the BBC's Action studio who claim there are constant delays by management in talks to spective payments" to basic grades, for regrading and working with new technology.

The BBC said last night that pay negotiatiins affecting 26,000 staff which concluded last week wtih a 9 per cent offer. It had not yet received the unions official response to that.

● Talks about the stage hands' dispute which has disrupted performances for two weeks at the National Theatre had broken down "absolutely and irretrievably," uunion leaders said last night.

Mr. John Wilson, general secretary of the National Association of Theatrical, Television and Kinee Employees, said that actors would be asked not to cross picket lines.

Teachers' pay talks continue

By Michael Dixon

NEGOTIATIONS on the April 1 pay increase for 482,000 schoolteachers in England and Wales were continuing last night, as union leaders sought assurances on terms of reference for submission of their 36.5 per cent claim to the Commission on Pay Comparability.

At an earlier meeting in London, the education authority employers repeated their previous offer of an immediate 9 per cent plus reference to the commission. They added an offer to pay half of any award by the commission in April 1980 and the other half a year later.

Philips plans £2m extension

THE MAJOR appliance division of Philips Industries is planning a £2m extension to its Lightcliffe factory at Hipperholme, Halifax, which it is estimated, will double its capacity to produce washing machines and tumble driers, the company said yesterday.

No pay this week for Perkins strikers

THE 7,000 workers whose strike has closed Perkins diesel engine plant at Peterborough were told yesterday that they would not be paid this week.

The men have a week's wages in hand which were due to be paid on Thursday for Easter, but a management spokesman said: "All of the pay-roll documents are inside and we cannot get them out."

Pickets have sealed off the factory by occupying gatehouses and barricading gates and entrance roads.

Police were on hand as 3,000 administrative staff, including some of the directors, were turned away when they tried to report for duty yesterday. A picket said: "No-one gets in until our pay claim is met."

The company said later: "As a result of physical obstruction and picketing, the company is unable to make up and pay out wages in hand to employees.

"All pay-roll documents are in the plant. Payroll staff tried to gain access at the weekend, but were preventing from doing so by the pickets. The men will also get paid for the Easter holidays, but only when it is possible to gain access to the plant."

Perkins normally makes 1,000 engines daily and the dispute will cost the company an estimated £1m a day.

Manual workers walked out on unofficial strike on Friday over a claim for parity with group workers at the Massey Ferguson plant in Coventry. They are demanding a package which would give them an extra £30 a week.

The company has offered £9.50 but this has been rejected.

Civil servants plan Easter travel delays

BY OUR LABOUR STAFF

THE SOCIETY of Civil and Public Servants, one of the unions involved in the strike campaign over Civil Service pay, was yesterday putting the finishing touches to plans for industrial action which may seriously disrupt Easter holiday travel.

About 1,000 customs and immigration officials are expected to be involved in action which would create long delays to holidaymakers at airport customs barriers.

Meanwhile, following the society's executive decision on Friday to step up action until pay talks resume, probably after Easter, the union said it had pulled out members in Liverpool, Swansea and Southampton docks.

Work-to-rules and other action by customs officers in the ports has led to a cargo backlog of up to 10 days and in Liverpool and Swansea storage space was said to be full.

Power men to seek 15%

BY OUR LABOUR CORRESPONDENT

ENGINEERS IN the electricity supply industry will be seeking pay increases of at least 15 per cent when they begin negotiations later this month.

The conference of the Electrical Power Engineers Association—part of the Engineers and Managers Association—in York yesterday agreed to press for the resoration of appropriate differentials with manual grades in their claim.

Mr. John Lyons, general secretary, told delegates that the claim would be for increases of at least 15 per cent. Particular attention would be paid to the position of employees in the top grades because differentials had been more seriously eroded there.

The conference unanimously agreed to the union's organising industrial action among the 34,000 engineers if this proved necessary to win the fight to restore differentials. This would be unlikely to include strike action: the association is satisfied that a work-to-rule and overtime ban would be sufficiently disruptive.

APPOINTMENTS

Two non-executive Bowater directors

Mr. H. John Greenborough and Sir Derek Mitchell have become non-executive directors on the Board of the BOWATER CORPORATION. Mr. John Greenborough is president of the Confederation of British Industry, deputy chairman of Shell UK and a member of the National Economic Development Council. Sir Derek is senior adviser to Kuhn Loeb Lehman Brothers International and a member of the Port of London Authority. Previously, he held a number of important posts in Government service. Mr. Robert Knight and Sid Godfrey Morley, are to retire as non-executive members of the Board of Bowater. Mr. Knight is not seeking re-election at the annual meeting on May 18 and Sir Godfrey will also leave the Board on that date.

★

Dr. N. Brian Smith, a director of Imperial Chemical Industries, has been appointed by the chairman of the National Economic Development Council as chairman of the ECONOMIC DEVELOPMENT COMMITTEE FOR THE WOOL TEXTILE INDUSTRY in succession to Mr. D. Finlay-Maxwell. Dr. Smith joined ICI in 1954, was made chairman of ICI Fibres in 1975 and appointed to the main Board of ICI in 1978. He recently completed a two-year term of office as president of the British Textile Confederation and represents the UK textile industry on Comitextil, the organisation coordinating all the fibre and textile interests within Europe.

★

Mr. David White has been appointed to the Board of CATER RYDER AND CO. from July 6. Mr. White was formerly a manager of the Union Discount Company of London. Mr. James Barclay becomes a managing director of Cater Ryder from May 1.

★

Mr. Clifford Hymans, a founder partner of HYMANS ROBERTSON AND CO., consulting actuaries and statisticians, retires today as senior partner and is succeeded by Mr. Norman Freethy. The firm continues its association with A. R. H. Collins and Co.

★

Twiflex Couplings has registered a subsidiary called TWIFLEX CORPORATION in New York State to market in the U.S. the range of industrial disc brakes and power transmission couplings manufactured by Twiflex Couplings at its Twickenham factory. Mr. R. Gunner, managing director of the parent company, Sheepbridge Engineering, has been appointed president of the new concern. Vice-presidents are Mr. J. H. Dawson (managing director of Twiflex Couplings) and Mr. D. Bauer (U.S.).

★

Mr. D. N. Legg has been appointed chairman of FITCH AND COMPANY (DESIGN CONSULTANTS). He is a director of County Bank.

★

Mr. M. J. de Richardson has been elected a director of the SAVOY HOTEL. Mr. Richardson is a partner in Cazenove and Co., stockbrokers, which has been closely connected with the Savoy for more than 50 years.

★

Mr. Francis McNeil has been appointed sales director of ATC PNEUMATICS.

★

Mr. Dennis Ashton, managing director of British Timken, is the new president of the EAST MIDLANDS ENGINEERING EMPLOYERS' ASSOCIATION and will hold office for two years. He succeeds Mr. Michael Smith.

★

Mr. John Hart is to join the main Board of BOWMAKER (PLANT) as director of marketing in respect of all company divisions.

★

Mr. John Holt and Mr. Eugene Toolan have been appointed full directors of FUGRO LIMITED, which is part of Fugro Consultants International.

★

Mr. David Morton has now taken over as managing director and chief executive officer of ALCAN ALUMINIUM (UK) from Mr. Dennis Pinn, who remains chairman.

★

Mr. Herbert W. Kochs, chairman of the DIVERSEY CORPORATION, has retired.

★

Mr. J. A. Hendry, chief executive of Hargreaves Transport, has been appointed a director of HARGREAVES GROUP.

★

Mr. P. B. H. Stobart has been appointed as deputy managing director of HOGG ROBINSON AND GARDNER MOUNTAIN INTERNATIONAL, a member of the Hogg Robinson Group.

★

Mr. Crawford M. Graham is now chief executive of the SANGERS GROUP and Mr. John Nichols, who has held the post for the past six months, has reverted to his former position as a non-executive director.

LEGAL NOTICES

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matters of
No. 00914 of 1979
CHANSTOW LIMITED
No. 00915 of 1979
MINFORGE LIMITED
and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that Petitions for the Winding-up of the above-named Companies by the High Court of Justice was on the 27th day of March 1979 presented to the said Court by THE MAYOR AND BURGESSES of the London Borough of Haringey of the Civic Centre, Wood Green, London, N.22, and that the said Petitions are directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 14th day of May 1979, and any creditor or contributory of either of the said Companies desirous to support or oppose the making of an Order on either of the said Petitions may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of either of the said Companies requiring such copy on payment of the regulated charge for the same.

T. F. NEVILLE,
Civic Centre,
Wood Green,
London, N.22.
Solicitor for the Petitioners.

NOTE.—Any person who intends to appear on the hearing of either of the said Petitions must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 11th day of May 1979.

No. 00875 of 1979
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of WHITES BUILDERS (SHIRLEY) LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 22nd day of March 1979, presented to the said Court by M & J ENGINEERS LIMITED whose registered office is situate at Star House, Mutton Lane, Potters Bar, Herts., Hirers of Plant, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 30th day of April 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BRABY & WALLER,
2/3 Hind Court,
Fleet Street,
London, EC4A 3DS.
Ref: F/BH/CO.
Tel: 01-583 8511
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 27th day of April 1979.

No. 00832 of 1979
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of MUSICASE LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 28th day of March 1979, presented to the said Court by CBS (UNITED KINGDOM) LIMITED, Proprietors of CBS Records, whose registered office is 17/9 Soho Square, W.1 in Greater London, a creditor, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 14th day of May 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

J. E. BARING & CO.,
74, Chancery Lane,
London, WC2A 1AA.
Ref: JAH. Tel: 01-242 8988.
Solicitors for the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 11th day of May 1979.

COMPANY NOTICES

CITY OF TURIN
U.S. DOLLAR 9% BONDS OF 1981

S. G. WARBURG & CO. LTD. announce that the eighth instalment of Bonds for a nominal value of U.S.$500,000 have been purchased for redemption on 1st May, 1979.
U.S.$6,000,000 nominal will remain outstanding after 1st May, 1979.
30 Gresham Street,
London, EC2P 2EB.
10th April, 1979

SVENSKA TANDSTICKS AKTIEBOLAGET
THE SWEDISH MATCH COMPANY
STOCKHOLM - SWEDEN

The Annual General Meeting of the Company will be held on Friday May 4, 1979 at 1.30 p.m. at the Central Office of Skandinaviska Enskilda Banken (conference hall, ground floor), Sergels Torg 2, Stockholm.

To be entitled to take part in the proceedings of the General Meeting, shareholders must be recorded in the Company's share register by Tuesday, April 24, 1979, at the latest and also give notice to the Board of Directors by Monday, April 30, 1979, 4.00 p.m. at the latest, at the address Svenska Tandsticks Aktiebolaget (The Swedish Match Company), PO Box 16100, S-103 22 STOCKHOLM.
Stockholm. THE BOARD OF DIRECTORS
April 1979

ANNOUNCEMENTS

Sir Victor Seely, Bart.,
wishes to announce that he left 117 Old Broad Street on Monday, 2nd April, 1979, as in two months' time he will be 79 years of age.
He still intends to carry on certain work from his home, the address of which is as follows:
42 Orchard Court,
Portman Square,
London, W1.
Tel: 01-935 1311.

CONFERENCES

TRANSPORT CONFERENCE
Oman, Jordan
May 12, 13, 14, 1979
Speakers from all over the world and Senior Officials to discuss transportation in the Arab States.
Full details:
Confex (International Shipping & Conferences) Ltd.,
4, New Burlington Street,
London, W1X 1FE.
Tel: 01-437 9545-6/7.
Telex: 28156

PUBLIC NOTICES

DEVON COUNTY COUNCIL
Bills totalling £5m will be issued on 10th April 1979, maturing 10th July 1979. The total amount applied for was £65.5m. The maximum rate accepted was $11\frac{1}{16}$%, at which 40% were allotted. The total amount of bills outstanding is £5m.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● METALWORKING

Big shape drawn in a single pass

SMG hydraulic press division of Schuler Presses is claiming a technical breakthrough in the production of the welded type of acetylene gas storage cylinders as used in the UK.

Utilising the hydro-mechanical drawing process pioneered and developed by SMG, a blank of 825 mm dia. x 3.5 mm thick is converted into a half-cylinder 550 mm long x 280 mm dia. in a single drawing operation. Material thinning is held to within 8 per cent of the nominal blank thickness during the process, which can run at a production rate of one component per minute.

Initial trials show that savings in production costs are generated, since one complete drawing operation is eliminated together with subsequent interstage annealing, manufacturing method.

Meanwhile, following exhaustive investigations within worldwide press manufacturing companies, the SMG subsidiary c L. Schuler was the preferred choice of Rubery Owen (Metal Assemblies).

Initial trials have vindicated that decision. The application of the hydro-mechanical drawing process to the production of dissolved acetylene cylinders was successfully developed in a co-operative effort by teams from both companies, led by Mr. R. F. Darby, director and general works manager of Rubery Owen (Metal Assemblies) and Mr. H. Molt, head of tooling, production and development of L. Schuler.

Further details from SMG at Sandford Place, Church Stretton, Salop SY6 6DY. 06942 2532.

● CONSTRUCTION

Heat kept at bay

PROMISING a solution to the problems of heat gain and solar glare in contemporary architectural design—particularly in offices, schools, hospitals, hotels, etc., where glass is extensively used—millionaire Dutch shipbuilder, Cornelis Verolme, first introduced Verosol fabric back in the mid-sixties.

It has a "silver lining," actually aluminium . . . bonded by a secret patented process to thin polyester net. This sunscreen curtaining not only protects against irritating glare, but also prevents the resultant rise in temperature within a building. The latter often has a disturbing effect on the comfort—or in the case of work places — the efficiency of occupants.

The material had an outstanding success in Spain, where it was first introduced, and then proved to be a boon in Europe, the U.S., South America, Australasia and particularly in the Middle East—possibly one of the severest tests of its solar barrier properties.

There is very little loss of light from a semi-translucent version of the curtaining (or blinds made from the material) which allows a pleasant diffused daylight to enter through a window.

Intending to complement the atmosphere of computer rooms, laboratories, museums, telephone centres, etc., there is now a new range of patterned Verosol made by the company in Enschede, Holland, and marketed in this country by C. Nathan and Co., 24 Lisson Grove, London NW1. (01-262 1121).

Selection includes a choice of floral prints and a striped design, all offering the same solar barrier properties as the company's familiar, original plain-coloured range.

Reverse, or window-side, of all patterns has the uniform silvery sheen of the metallic coating to which the curtains owe their sunscreen properties.

Although the introductory patterns now available have been specifically chosen for their suitability to the British market, says the company, special designs can be produced provided that a sufficient quantity is ordered.

Most production is destined for contract work, yet the appeal of the new patterns inevitably suggests another area for the product—the domestic market. Offering a saving up to 30 per cent of heat loss through windows, Verosol promises an alternative to double-glazing methods for DIY enthusiasts.

● IN THE OFFICE

Every two seconds, the plain paper copier shown here will turn out a reproduction of an original which can be a photograph, another photocopy, a manuscript and so on. Olivetti's Copia 2000 will tackle poor quality documents and can cope with a maximum size of A3, automatically printing on both sides of the paper. Up to 99 copies can be turned out in one go on standard bond paper, fed automatically from one of two cassettes. The unit can work in conjunction with the company's on-line sorter with its 20 baskets to provide a complete system with ability to deal with bulky multiple-page documents. British Olivetti on 01-629 8807.

● SECURITY

Pinpoints a villain

EUPHEMISTICALLY called "shrinkage" and growing at around £50m a year, shoplifting is costing high street stores—and thus in the end the shopper—a staggering £650m annually.

Shop-owners have built these losses into the prices they charge and it is estimated that, as a result, these prices are between 2½ and 4 per cent higher than they need be.

A number of attempts have been made to create equipment that will make it particularly difficult to get out of a store with valuable goods by tagging. But where crowds of people flock through a department during peak periods, a great deal of difficulty can be created for store owners where an alarm goes off, but the culprit is in the middle of a bunch of shoppers—as he or she would normally take care to be.

Now, a device which is very difficult to shield electronically from detection equipment and not easy to conceal, is being offered with detectors that not only give audible and visual warning that a thief is trying to get away with a tagged object, but also provide an indication of position of the object.

The tag is a pencil-slim device that is firmly attached to the article to be protected. At the door is the detector which has a very small stray field and is provided with a tell-tale panel of coloured lights.

In any such system there is a slight risk that hard-pressed staff might forget to remove the tag before the shopper leaves the premises. To guard against this, an optional table-top checker can be installed with the system to make such oversights an impossibility.

A full stopwatch system—as the equipment has been called—in a large store could be expected to pay for itself in 12 to 16 months.

Further details from Parmeko, Percy Road, Leicester LE2 8FT, 0533 832287.

● ENERGY

Waste oil recovery

DRAIN ON the world's petroleum reserves could be reduced by an estimated 100m barrels a year, according to the Phillips Petroleum Company, which is promoting an improved method of treating waste engine lubricating oils and converting them into high-quality products, rather than burn or dump them.

Based on present lubricating oil prices, if its full potential could be realised, the method could save between $2bn and $3bn a year.

PROP, the Phillips Re-refined Oil Process, is intended to convert waste lubricants into products comparable with new oils, but also to be as compatible as possible with environmental demands. It provides chemical demetallisation of contaminants into insoluble precipitates without using strong acids or solvents and metal removal takes place at low pressures and moderate temperatures.

Water removal pre-treatment of the waste oil is not needed, while ash-forming contaminants and residual constituents (metallic additives) are largely removed prior to hydro-treating, thus reducing the bulk of filter cake for disposal.

Solid wastes from the process are of much smaller volume than the sludges and other wastes from older processes. They also exhibit a soil-like neutrality and resistance to soil leaching.

In the process, waste oil is first contacted (in-line blending) with an aqueous solution of diammonium phosphate. Subsequent reactions result in the formation of metallic phosphates which have low solubility in either water or oil. Water and a significant portion of the fuel diluent are removed in the second and third stages of the reaction.

At this point metal removal is basically complete, except for the zinc and phosphorus present as zinc dithiophosphate—the anti-oxidant additive in the original oil. Temperature cycling brings about thermal degradation of a substantial portion of this compound and agglomerates much of the finely dispersed solids in preparation for their subsequent removal by filtration.

The demetallised and dehydrated oil, with 99 per cent or more of its ash-forming materials removed, is heated, mixed with recirculating hydrogen, percolated through a guard bed of clay and hydrotreated over a conventional nickel-molybdate catalyst. The guard bed removes traces of inorganics and promotes the decomposition of sulphonic acids.

The finished product is a base oil suitable to use in the blending of motor oils or other lubricants or for marketing as a neutral base oil.

Further data from Phillips Petroleum Company Europe-Africa, Portland House, Stag Place, London SW1E 5DA. Telephone 01-828 9766.

Efficient steam trap

STEAM is the most economical method of storing and distributing large amounts of energy for industrial power and heating, but while boiler and turbine manufacturers can contribute to reducing unavoidable losses by better design and selection, avoidable losses remain in the hands of the plant engineer.

Research has shown that by far the greatest contribution to factory fuel losses is inefficient or wrongly selected steam traps, which traditionally have been either mechanical float, bucket or thermodynamic types. Typical steam losses via a single trap in an industrial process could cost a company upwards of £3,000 per annum.

Bestobell Steam Products, Scotland, part of the £85m International Engineering and Chemical group, has come up with a simple solution, the Delta steam trap, which is a single bladed thermostatic type manufactured at its new £2m plant in Scotland.

The flap has a bimetal element whose delta-like shape deflects in three dimensions, and whose response thanks to the use of two dissimilar grades of stainless steel, one ferritic and the other austenitic, follows the steam temperature-pressure curve.

With increasing temperature the cross-sectional "moment in inertia" of the element increases, linearising the high force which shuts off the valve in linear. The unit automatically optimises its opening position to meet the exact water condensate load to be discharged.

This has resulted in a design of steam trap which eliminates live steam losses and, through the integral strainer, check valve and optional sight glass, minimises installation costs.

Bestobell Steam Products, Livingston, Scotland. Livingston (0589) 30101.

Clean copy made quickly

HIGH QUALITY high speed printers, one aimed at the word processing market and the other at data communications applications have been announced by Centronics Data Computer (UK), Harrington Road, London SW7 3HA (01-581 1011).

Model 753 is claimed to have print quality near to that of the best typewriter reproduction but at the same time has high throughput due to its print rate of 130 to 150 characters per second. Together with proportional spacing to compensate for character size differences and automatic line justification, the machine is likely to be particularly attractive to word processing users. The dot matrix used is nine dots high and up to 18 wide for large characters, giving dense, well-formed characters.

For data communications work, the 704 produces 70 to 400 lines/min. at a printing speed of 180 cps. A full ASCII set of 96 characters is provided, with switch-selectable data rates up to 9600 baud; the standard 256 character buffer store can be augmented by an optional 2,000 character page buffer. The communications facilities include a built-in RS-232C/V24 serial interface.

Dictator is diminutive

CLAIM MADE by Lanier, the U.S. electronics company, is that its latest portable dictation machine, the VPS-60, is the smallest and lightest on the market, at 4.1 x 2.5 x 1.0 inches and 8.5 oz.

Making use of a micro-cassette, the machine can give an hour's dictation time and is simple to use by virtue of a single slider control for record, stop, re-wind and playback functions. A thumbwheel controls the playback volume; on record, a light-emitting diode is energised and the electret microphone, with automatic gain control is claimed to be sensitive enough to pick up a whispered conversation at 30 feet.

An optional charger is available if nickel cadmium batteries are used, and the unit can be operated from the mains via an optional adaptor. Other accessories include a personal listening headset, lapel microphone and telephone pick-up.

More from the UK subsidiary, Lanier Business Products, 100, New King's Road, London SW6 4LX (01 736 0171).

● MATERIALS

Draining the static

BESIDES being an irritation, the static electricity spark discharge that almost everyone working in centrally heated buildings must have noticed can also constitute a hazard in modern digital equipment.

Rather like Hertz's original spark transmitter, the static spark induces sympathetic pulses in nearby electronic circuits and conductors and can induce data errors.

Already producing conductive mats for use in semiconductor plants, 3M, PO Box 1, Bracknell, Berks RG12 1JU (0344 26726), can now supply a tough, durable variety for use on floors rather than benches. The company claims that these Velostat mats will not crack due to the wearing effect of chair casters and will accept heavy office traffic.

The new 1850 series of mats, one-eighth inch thick and available in three sizes up to 8 × 4 ft, contain finely embossed material to resist curling and are unaffected by age or room humidity. Each is supplied with a 10 ft earthing cord incorporating a 1 megohm resistor.

● INSTRUMENT

Finds the wave height

DEVELOPED by EMI Offshore Systems, Albert Drive, Sheerwater, Woking, Surrey (04862 76123), a compact wave height monitor can be bolted to any fixed structure such as an oil rig and pointed at the sea surface to give a reliable and accurate reading of wave height.

Applications will arise in experimental weather-related structure assessments and in general meteorological work.

Basis of the measurement is the time taken for a transmitted pulse of infra-red light to be reflected from the sea surface. A high pulse repetition rate and a beam width of only one degree ensure that the wave profile is followed accurately. A series of internal filters minimises the effect of sunlight and spurious signals from rain and spray.

Maximum range is 50 metres and the overall accuracy is ±1 per cent for operations between 10 and 50 metres. Output is an analogue voltage representing instantaneous wave height.

The compact cast aluminium housing measures only 300 mm by 200 mm and weighs less than 4 kg. A 12-volt DC supply and signal cable enter via a water-tight gland.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Nicholas Leslie on a rubber company which has put its faith and money behind two entrepreneurs

Venturing into the risky world of travel

IN FIVE to seven years' time David Miller and John Sutcliffe could be wealthy young men. If so, Yule Catto—a company with sizeable interests in Malaysian rubber plantations—will find itself enjoying the fruits of a significant diversification—into the travel business.

But there is a long hard road to travel if such success is to materialise. The current position is that, stepping into a field more commonly associated with financial institutions, Yule Catto has provided venture capital to enable Miller and Sutcliffe to acquire Curzon Travel, a small travel agency in Pinner, just outside London.

The amount involved is £100,000—not an enormous sum, perhaps, in relation to Yule Catto's current substantial liquid resources, but sizeable enough given the risks involved. Yule Catto's sales last year totalled £12.7m, on which it earned pre-tax profits of £2.5m.

There is nothing that immediately sets Curzon apart from other travel agents other than the fact that it is reasonably profitable. What the investment illustrates is how, in the final analysis, an investor of venture capital can as often put his faith in people as in an idea.

The pay-off for Miller and Sutcliffe will come if they achieve pre-determined levels of profits. Then they can elect to sell their equity to Yule Catto, which would eventually end up with total control.

This is the first time Yule Catto has become involved in this type of financing, and it has elected to do so with the sort of investment that most financial institutions prefer to avoid (as, indeed, they did in this particular case).

The travel agency involved has, like many others, a small asset base; the industry generally is acknowledged to be *something of a minefield*; a large number of agencies are reckoned to be barely profitable; and the founder of Curzon has been bought out, with Miller and Sutcliffe replacing him as effectively the sole senior management. The two men are completely new to the travel business.

Award

So why has Yule Catto taken such a risky step? (For the answer one must go back to last autumn when Miller and Sutcliffe won the "entrepreneurship and new ventures" section of the Cranfield Management School's annual MBA programme. In this section, spanning half the year-long course, participants are given the opportunity of putting together a thesis on a viable business *proposition* which, given the opportunity, they could launch as a going concern.

The success of Miller, 29, and Sutcliffe, 32, together with details of their plans for a "One Stop Travel Shop," were outlined on this page on September 19. Miller already had a business background, having several years ago started an employment agency chain which he later sold, though remaining as managing director. He then resigned to attend the Cranfield MBA course and look for a new career. For 10 years Sutcliffe worked for accountants Peat Marwick Mitchell and Co. in their London, Atlanta (U.S.) and Brussels offices and attended Cranfield for reasons similar to Miller's.

John Cox, company secretary of Yule Catto (and also a Cranfield graduate), recognised *Sutcliffe as a former colleague* at Peat Marwick. He told Annesley Keown, vice-chairman of Yule Catto, and other executive directors of the company about Miller and Sutcliffe's plans and their search for *funds. This led* to their discussing the project with the company's non-executive directors *and getting their agreement to* explore the possibility of backing the travel agency — which Miller and Sutcliffe located through their solicitor while at Cranfield.

Until that point Yule Catto had had no thought of travel as an area of diversification, its strategic planning having been aimed *primarily* at moving *into* areas related to existing business. In line with this concept, a move was made last year into export trading. It does, though, have some interest in the leisure industry through ownership of two boat marinas.

Meanwhile, Miller and Sutcliffe, having failed to interest any of the banking organisations they had approached, had already been looking at industrial and other non-financial companies as a possible source of financial backing. They had had some initially positive responses.

When negotiations got under way between Yule Catto and Miller and Sutcliffe, some hard talking ensued. As Kenneth Waters, Yule Catto's finance director (and, incidentally, another business graduate—*from the London Business* School) explains, Miller and Sutcliffe were subjected to a number of "destructive" questions to find weaknesses in their project. Yule Catto, he says, drew on the considerable research done by Miller and Sutcliffe on the travel industry, but still carried out its own research. *In so doing it* confirmed many of the two men's views, including the reasons why agencies fail—for example, by committing themselves too heavily with such things as forward bookings on hotel rooms and aircraft flights, for which they may then not find enough customers.

Keown makes it clear that while Yule Catto is now fully committed to the concept of the travel business, what it is essentially backing in this case is the people involved. "Our initial reaction to travel agencies," he says, "was that a lot of people have burned their fingers." But, he adds, "these chaps have got some novel ideas."

These ideas include employing individuals as agents who will work on a commission-only basis and who will make home calls to sell holidays and travel facilities. Miller maintains that this method is ideal for providing a "tailored" service, while Sutcliffe suggests that this also "*extends the selling radius of* a shop, which is normally quite *narrow*."

There are also, quite naturally, plans to expand the amount *of business travel Curzon* handles—indeed, a start has already been made and they have added such business in the short time since they took over the reins. Business travel, if it is the right mix of short and *long haul* trips, can be very profitable, but the demands made of an agency by the client company can be considerable. Miller reckons that they will be able to handle any problems that arise and that, as the business grows, more sophisticated systems to ensure a trouble-free service will be introduced.

The smooth handover *of the* business from its founder, Mr. A. Curzon, to Miller and Sutcliffe, has just been completed with the ratification of the transfer to its new owners of its International Air Transport Association licence.

But this alone does not enable Curzon to get into the big league on which it has set its eyes. That will require not only the addition of further branches but, more important, also an Air Tour Operator's Licence, which enables the holder to have a *direct involvement in tour* organisation. Curzon hopes this stage will be reached in the not too distant future. In the meantime, it is working in association with an existing licence holder to give it more flexibility. It is also a member of the Association of British Travel Agents.

Agreement

However, such licences do carry with them a heavy financial obligation in that both require cash bonds to be put up, for example ten per cent of projected annual turnover in the case of the ATOL licence. Miller reckons that Yule Catto's backing will be a major advantage in this respect.

The financial agreement reached between Yule Catto and Miller and Sutcliffe gives the former a 55 per cent holding in the £27,500 equity of Curzon—the smallest holding that it has ever entertained for a business. The balance of the equity is split equally between Miller and Sutcliffe. For it they have paid £10,000, with the balance being payable over three years. Yule Catto's £100,000 is represented by both equity capital *and loan*

A major advantage of the deal for Miller and Sutcliffe is the *formula by which they can real*ise their investment if they should so wish. This is increasingly a stumbling block for entrepreneurs because, with the Stock Market offering few attractions in recent years thanks to dividend controls as well as increasing regulations and legislation (actual and *potential), realisation of an in*vestment has become a problem. Also, many large companies are more inclined to consider disinvestment of smaller subsidiaries than expansion by acquisition.

Formula

The formula agreed is that when pre-tax profits of Curzon reach £100,000 Miller and Sutcliffe can sell 20 per cent of the equity to Yule Catto at a price to be determined by an independent valuation. Then, when profits reach £400,000 they can sell the other 25 per cent *they own. The decision is* entirely their own.

Miller and Sutcliffe have set their *sights on hitting* the £400,000 profits level within five to seven years. Last year's figure was around £30,000. However, Yule Catto has decided to retain an early let-out agreement. Should it feel that the partnership is not working by this October it can elect to sell its investment to Miller and Sutcliffe, giving them six months to find the necessary money.

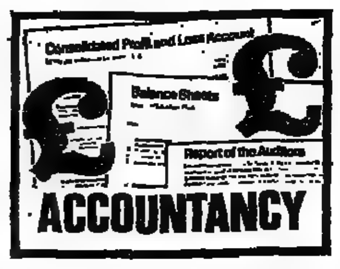
Neither Yule Catto nor Miller and Sutcliffe seem to think that this is likely. Keown is fully commited to Curzon and to the prospect of it eventually becoming a significant arm of Yule Catto's business.

Unlike many industrialists, Keown is committed to the concept of industrial companies considering venture *capital* investment—he feels that if they have sizeable resources they can afford the risk, and that dealing with such ventures need not take up a disproportionate amount of senior management time.

John Sutcliffe (left) and David Miller—a long hard road to travel for big success.

How Europe's top 100 companies fare in the reporting stakes

BY MARTIN GIBBS



THE most useful book published by the Institute of Chartered Accountants in England and Wales is the annual Survey of Published Accounts. This summarises the principal accounting recommendations issued by the Accounting Standards Committee and, with the help of *numerous examples*, shows how the top 300 UK companies have complied with the recommendations.

Michael Lafferty, who is the Financial Times' accounting and banking correspondent, aided by David Cairns of Stoy Hayward and Jim Carty, the secretary of the Accounting Standards Committee, has set out to produce an equally useful book covering the top 100 European (including UK) companies. To a large extent he has succeeded.

The first sections of the book deal with accounting policies. Each contains a summary of the relevant recommendation by the International Accounting Standards Committee (by the end of 1978 there were 14 of *these) followed by an analysis* of the treatment adopted by the survey companies.

Subsequent sections include reproductions of the accounts published by one company from each of the 11 countries covered. These show the balance sheet, profit and loss account, source and application of funds statement, and (in some cases) notes to the accounts. Many readers will be glad to find that they are all in English.

The final sections deal with auditing, the *disclosure* of financial and non-financial information, and an analysis of the "timeliness" of annual reports.

The latest annual report from each company was assessed on nine criteria (the highest marks were given for full consolidated accounts and disclosure of acceptable accounting policies) and an overall ranking was then obtained. The top company was, not unexpectedly, Philips. The fact that Svenska Cellulosa, a relatively unknown Swedish *pulp and paper company*, came second is much more surprising. The top British company was ICI. It was ranked sixth, with Akzo, Unilever, and Royal Dutch-Shell having taken the intervening places.

The countries were ranked in order or quality. The UK came top, followed by the Netherlands. The bottom countries were Spain and Italy.

To avoid hurting anybody's feelings, the wooden spoon was not awarded. The authors merely content themselves with publishing the names of the twenty five companies with the worst annual reports.

It appears that there is an inverse correlation between quality and quantity. UK reports, which many people in the UK regard as long, turn out to be the shortest in Europe. They have an average of 35 pages, compared with as many as 82 in Italy. The shortest report was that of Great Universal Stores, with 23 pages. The longest was Fiat's with 175.

Universal

Lest the UK reader should run away with the impression that the UK accounting profession has nothing to fear, it should be pointed out that standards of accounting in Continental countries are improving rapidly. Already *many* companies publish accounts in accordance with the very exacting *standards* of the Securities and Exchange Commission in the U.S. Consolidation is required by law in the Netherlands, Germany (domestic subsidiaries only) and Scandinavia, but many companies in other Continental countries also consolidate and the authors of the survey believe that this *practice will be almost universal* within a few years.

One reason for the improvement in *standards* is the increasing influence of the international firms of auditors. The familiar names already crop up quite frequently in Continental audits and are likely to do so increasingly, following the rush to merge among international accounting firms.

In the disclosure of non-financial information, the Continentals appear to be pulling ahead of the UK. The leader *here is France. Under a decree* of December 8, 1977, companies with more than 750 employees will in future have to publish a considerable amount of information about their labour force. Some French companies already provide much of this information. The section of Moet-Hennessey's report dealing with "*Labour Relations,*" which is reproduced in full, runs to 10 pages.

For lack of better information, the "timeliness" of company reports was measured by calculating the number of days between the year-end and the *date of signature of the audit* report. The average was just under 100 days in most countries but there were some striking differences between companies. The quickest audit report was that of Marks and Spencer, signed in 33 days. The slowest was Solvay's (7 months, 16 days). The second slowest was that of Great Universal Stores (6 months, 28 days).

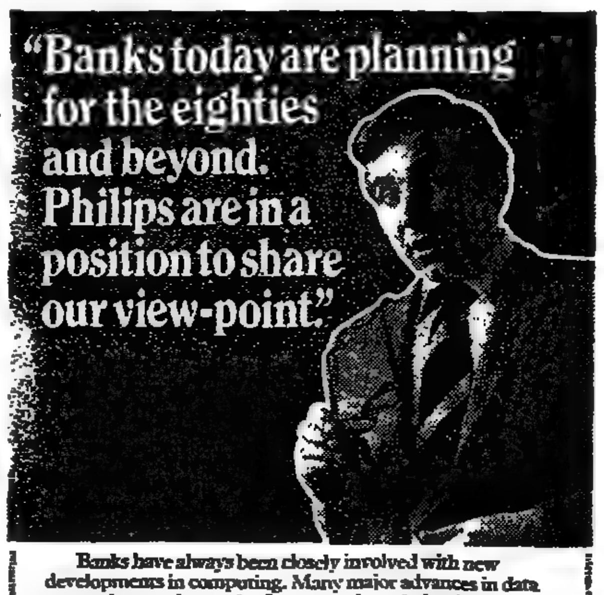
The authors admit, however, that this is a far from perfect basis of comparison. A fairer basis would be the number of days between the year-end and the date of publication of the annual report. This was still only 55 days for Marks and Spencer.

To summarise, the book performs an extremely useful function and although it seems expensive at £75 (£60 for subscribers to World Accounting Report) it will be indispensable for anyone wishing to see how UK accounting fits into the wider context of European reporting practices. It is only a pity that the quality of the presentation does not match up to the quality of the contents. The pages are reproduced from typescript and bound with a plastic spine. This may well reflect the desire to publish as rapidly as possible but the result is a product whose appearance is much below that of the Chartered Accountants' annual survey of UK accounts.

The authors do not commit themselves to following the Chartered Accountants by making their book an annual. However, it is to be hoped that they will do so, since material of this nature dates very rapidly. If further editions are prepared, consideration should be given to widening the scope of the book by including some of the other major countries, such as the U.S. and Japan, possibly at *the expense of some of the* smaller European countries. Accounting is becoming increasingly international and to take anything less than a global view of reporting practices seems too parochial.

1979 Financial Times Survey of 100 Major European Companies' Reports and Accounts. By Michael Lafferty with David Cairns and James Carty. FT Business Publishing. Minster House, Arthur Street, London EC4, £75.

Martin Gibbs is a partner in stockbrokers Phillips and Drew.



LOMBARD

Making farmers foot the bill

BY JOHN CHERRINGTON

IN ESSENCE Mr. John Peyton's statement of Conservative policy regarding the Common Agricultural Policy could well have been wafted from John Silkin's desk across Smith Square by some frolicsome April breeze. Both want a freeze on prices and an end to food mountains. They appear convinced that as a result of a price freeze a reduction in surpluses will follow, just as night follows day.

In this they are mistaken. All evidence in the past has shown that the main incentive to increasing agricultural production is financial stringency. It is an *even more potent force* than high prices, which after all can encourage farmers to become lazy. From this I must except pigs and poultry which have no real guarantee under the EEC system, and are to some extent a factory-type operation. Here when the cost of feed rises above that of the product, a collapse *is certain*.

Insurance

Apologists for the system claim that the visible mountains are no more than a few weeks' supply of vital food, a good insurance against shortage. At the moment the butter mountain is about 250,000 tonnes. This has cost around £500m to buy through intervention and store. Reasonable enough as an insurance premium, you may say. But the total cost of milk support is now approaching £2.5bn or £100 for every cow in the Community. The balance is used to finance the disposal of the surplus butter and skim milk in all sorts of ways. It is estimated that at least a third of the butter produced in Europe is sold in this way.

The fashionable cure for this is in British eyes to eliminate inefficient small farmers. They exist in all member countries except, curiously enough, Britain, and they are deemed to be the root of the surplus. This is nonsense.

There are 2.16m dairy herds in the Community. If those with fewer than five cows were eliminated 38.2 per cent or 825,000 farmers would have to go. But as they only represent 7.2 per cent of all cows their disappearance would make little difference to a market which is over supplied by 17 per cent to 18 per cent — possibly over 20 per cent this year.

Even if those with fewer than 10 cows were added to the extermination list, the market would only just remain in balance. But this would only be so in theory. Over the past 25 years something like half the farmers in the Community have left the land. Yet the number of cows has *remained* constant. Cows and not farmers produce the milk.

The fact is that those responsible for the surpluses are the so-called efficient farmers, the larger scale operators in Holland, Ireland, the UK and so on. The Commission now recognises this and has suggested a co-responsibility levy which will penalise the larger farmers while leaving the small ones relatively unscathed. Both Mr. Peyton and Mr. Silkin have condemned the levy as a tax on *efficiency*, and say that because Britain is a deficit country British farmers should not suffer.

In this argument they propagate a common delusion which is shared by British farmers, who believe that they are not really in the Community and that the overall surplus has *nothing to do with them, either* for milk or anything else.

Nothing effective will be done in the Community to reduce the milk surplus until someone other than Ministers of Agriculture, who in most cases are subject to farmers' lobbies, decide on prices. Farmers must be made aware of the costs of *their own over-production*, not just by exhortation, but by *bringing home to them* the cost of disposal of the surpluses they are responsible for. This could be administered on a farm basis, that is, a quota, or on an individual country basis.

Sugar quota

There is already a quota system for sugar beet which works well. Although production of sugar is still too high *the fault is not the quota, but* the level at which it is imposed. There is no reason at all why a similar system should not be instituted *for* milk.

Nothing of this sort is likely to be agreed by the Ministers of Agriculture in the foreseeable future. They do not have to find the money to pay for the CAP. *Those that do*, the Finance Ministers of the deficit countries, are the only ones who could enforce a change. There is an old saying that "he who pays the piper calls the tune." It is a pity that the Community has stood this principle on its head.

Finding the bargains of distinction

WINE

BY EDMUND PENNING-ROWSELL

READERS OF this column will know that fine wine prices at source are now tending to rise more quickly than in the past few years, when in general they were somewhat dampened by the slump of the mid-1970s and the surpluses that ensued. In real terms most wine prices have not advanced until fairly recently. But a general shortage of stocks, engendered largely by cash-flow problems, and renewed confidence on both sides of the counter have led to some sharp increases, particularly since last year's vintage.

But where should we be looking for wines of some distinction *and individuality* at moderate prices? Italy is a likely source, though after being under-priced for some years the superior Piemontese, Veronese, North and Central Italian wines may look a little dearer; but the problem for consumers about Italian wines may be more one of consis*tency than of price*.

In view of the high Deutsche Mark exchange rate, German wines too must be considered inexpensive at the modest level of QBA (*Qualitatswein besttimmter Anbaugebiete*—quality wine from a specified region). No striking price increases are expected there shortly, though a *good prolific vintage* is needed this year.

Relative price stability should also apply to the superior Spanish table wines, including Rioja, and the best of the Panadés wines, both of which provide excellent value when something above the *vin ordinaire* level is called for.

That leaves us with France, still the predominant source of our beverage wines. We know now which 1978s will be expensive when first offered to us: classed-growth clarets and red and white burgundies, particularly the exaggeratedly overpriced *Chablis* and *Pouilly-Fuissé*.

There remain, however, other French wines that should *not* turn out unreasonably priced, and here we may be guided by the recently issued market report of Mr. Peter Sichel, Bordeaux wine merchant, proprietor of Ch. Angludet, and part-owner of Ch. Palmer. Although this annual survey is intended for merchants, these days the time-lag between wines being offered to the trade and thence to the consumer is much reduced, and early buying is the key to economical drinking. So his advice is worth quoting.

"It will be a year," he writes, "to push Côtes du Rhône, white Bordeaux, Beaujolais, selected fine 1978 'Petits Châteaux, from Bordeaux and, above all, pay increasing attention to the wines from the Midi. Whether offered as VDQS, Vinr de Paps, or straight Vin de Table they need careful selection, but particularly for those who are willing and able to pay a little more for real quality the scope is considerable."

Taking these suggestions in order, there was a record crop in the Rhône last year, and one of excellent quality. Basic Côtes *du Rhône is appreciably cheaper* than plain Bordeaux rouge. Some Côtes du Rhônes now *carry château names, but* although this is no passport to high quality, it may reflect well-made individual wines rather than mass blends. Higher appellations such as Crozes-Hermitage, Cornas and St.-Joseph all cover good-value wines, and even Hermitage itself from such a leading firm as Jaboulet costs less than second-growth clarets and much less than many Côte d'Or '78s. One does not have to wait for '78s, however, for good wines were made in '76 and '77.

White Bordeaux is certainly a candidate for buying, and the dry '78s will soon be on the market. One is considering not so much white Graves, now expensive for what much of it is, but plain Bordeaux blanc and Entre-Deux-Mers. As Peter Sichel writes, "Nobody would deny the progress that has been made in white wine making in Bordeaux during the last six to ten years. There is a world shortage of white wines; even at to-day's prices Bordeaux offers by far the best value of any French white wines, but it still seems impossible to create any real demand."

The virtues of 1978 Beaujolais have already been widely publicised. They are typical, easy-to-drink wines without the stamina of the '76s, and owing to the large vintage prices have not risen unreasonably. The wines to buy now are the "crus": Moulin-à-Vent, Fleurie, Juliénas, etc. And their '76s are even better.

The Petits Châteaux clarets of *1978 will not, of course, be ready* to drink for three or four years, but they are reported as fruity wines, with *good colour* and body. For the selection one must rely on one's wine merchant, but the Côtes de Bourg wines might turn out particularly well, as they have more body than the other Côtes wines.

To the professional too must be left the selection of Midi wines, for it would be hazardous *indeed for the inexpert to launch* metaphorically into those vast vineyards. The VDQS from Corbières and Minervois in the West, and Côtes de Luberon and Ventoux in the east might provide the best buys. Mr. Sichel's recommendation to "pay a little more for real quality" is certainly particularly apposite in Britain, owing to the tax situation.

Emphasising perhaps the good value-for-money qualities of the wines considered above, I may add that since my last article on the rising prices of the 1978 classed-growth clarets, I can report that the Bordeaux market *seems to be in a state of excite*ment not evident there since 1972. With the growers in no great need of money, and concerned not to dispose of too large a slice of their wines in advance of a possible further increase in prices, the '78s are coming on to the market in smaller quantities than usual. Demand is brisk, particularly from within France and elsewhere on the Continent. Whether this reflects speculation rather than real consumer demand remains to be seen. However in my article, in suggesting that the first-growths would come out at about FFr 70,000 a *tonneau* (1,200 *bottles*) I underestimated. For Ch. Lafite has been the first to break the market surface at FFr 82,000—just over 50 per cent more than for the 1977. The other *premiers crus* are not likely to be much different, and *this increases by £1.50 to £2 per* bottle my estimated opening retail price of £13-£15.

Harvesting grapes in Alsace.

Shawafah leads Ryan Price's challenge at Wolverhampton

RACING

BY DOMINIC WIGAN

ALTHOUGH WOLVERHAMPTON is not one of Ryan Price's favourite hunting grounds, he usually does well with the few runners he sends there.

His challengers on the Midlands track this afternoon look worthy of *maximum respect*.

The Captain's best prospect is Commander Bond's half-sister, Shawafah. This grey filly by Runnymede out of that *prolific Doutelle mare, Sailing*, put up a creditable performance on her fourth and last juvenile appearance when running fourth to Gay France in a six-furlong maiden event at Epsom, in August.

Shawafah, who would almost certainly have been better suited by easier underfoot conditions than the firm ground she encountered there, has only a few poor opponents to beat in the opening division of the Spring Maiden filly stakes and with the ground in her favour *anything but a win will both* surprise and disappoint me.

Another possible winner for *Price, whose Lake City* will clearly not be without a chance on May 5 should something go amiss with Tromos, is Shagra. This filly, owned as is Shawafah by that great supporter of English racing, Essa Alkhalifa, cut little ice in her four juvenile outings and finished out of the frame each time. However, *she is reported to have* been moving well in recent work and bearing in mind the remarkable transformation which Price is so often responsible for with a maiden going in to its second season Shagra must clearly be reckoned with. I expect to see her giving Sir Mark Prescott's Habat grey, Morada, plenty to do.

As in the past few days One in a Million continues to be the filly most people are after for the 1,000 Guineas. She is 6-1 in most lists, a point behind Devon Ditty.

WOLVERHAMPTON

2.15—Shawafah***
2.45—High Swanee
3.15—North West
3.45—Rebellion
4.15—Breathing Exercise**
4.45—Morada*

Education guide

A NEW and bigger guide to *help school-leavers find the right* place for their degree studies has been published by the Advisory Centre for Education. Entitled A Guide for Applicants, priced £1.50, it sets out to help youngsters choose from Britain's 44 universities, 31 polytechnics, and 70 other colleges.

TV/Radio

BBC 1

...TUES 10 APR...BBC1...
† Indicates programme in black and white

6.40-7.55 am Open University (Ultra high frequency only). 9.50 The Wombles. 9.55 Jackanory. 10.10 Laff-a-Lympics. 10.30 Country Search. 12.40 pm News. 1.00 Pebble Mill. 1.45 The Flumps. 3.20 Pobol Y Cwm. 3.53 Regional News for England (except London). 3.55 Play School (as BBC2 11.00 am). 4.20 Rikki Tikki Tavi by Kipling. 4.40 Tarzan Lord of the Jungle. 5.00 John Craven's Newsround. 5.05 Stopwatch.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.55 One More Time (London and South-East only).
7.25 The Best of Little and Large.
8.10 Dallas.
9.00 News.
9.30 Play for Today.
10.40 Tonight and Campaign '79.
11.20 Worlds Without Sun.
11.45 Weather/Regional News.

All Regions as BBC1 except at the following times:

Scotland—5.55-6.20 pm Reporting Scotland. 6.55-7.25 Sing Along With Sunshine. 10.40 Tuesday Night. 11.15 Worlds Without Sun. 11.40 News and Weather for Scotland.

Wales — 4.40-5.00 pm Tren Sgrech. 5.55-6.20 Wales Today. 6.55 Heddiw. 7.10 Pobol Y Cwm. 7.40 A Question of Sport. 8.10-9.00 Radio Wales Brass Band of the Year Competition. 11.45 News and Weather for Wales.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton): Spotlight South West (Plymouth). 6.55-7.25 East (Norwich) The East Anglians; Midlands (Birmingham) The Cheapest Show on the Telly: North (Leeds) It Seems Like Yesterday; North East (Newcastle) Tuesday North: North West (Manchester) Surprisingly It's Spring: South (Southampton) The Getaways: South West (Plymouth) Peninsula; West (Bristol) Public Life.

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
4.50 Open University.
6.53 A Death Reported.
7.10 Mid-Evening News.
7.20 Making a Bob or Two.
8.00 Bugs Bunny.
8.10 Life on Earth.
9.05 Call My Bluff.
9.35 Man Alive.
10.25 Giacomo Puccini, Master Craftsman.
11.35 Late News.
11.50 Closedown, reading.

LONDON

9.30 am Noddy. 9.40 Cartoon Time. 10.00 The Nature of Things. 10.50 Animated Classic (Five Weeks in a Balloon). 11.35 Showjumping with Harvey Smith. 12.00 Just So Stories. 12.10 pm Pipkins. 12.30 The Cedar Tree. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon Plus. 2.25 Tuesday Matinee: "Greengage Summer" starring Kenneth More and Danielle Darrieux. 4.20 Get It Together. 4.45 Magpie. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames At 6.
6.25 Help!
6.35 Crossroads.
7.00 Survival.
7.30 Tuesday Comedy: "Carry On Up The Jungle."
9.00 ITV Playhouse.
10.00 News.
10.30 51st Academy Awards.
11.40 For Better For Worse.
12.10 am Elaine the Singer of the Song.
12.45 Crises, introduced by Anna Ford.

All IBA Regions as London except at the following times:

ANGLIA

9.35 am The Butlin's Grand Masters Darts Championships. [illegible]

ATV

9.40 am [illegible] 11.15 Annimated Classics (Moby Dick). 1.20 pm ATV Newsdesk. 2.25 The Tuesday Movie: "Tarzan Goes To India" starring Jock Mahoney. 5.15 Gambit. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 McMillan. 8.50 Special Edition. 11.40 Snooker—State Express Grand Masters Challenge. 12.25 am Something different.

BORDER

9.30 am Film: "Demetrius and the Gladiators". 11.10 Wildlife Cinema. 1.20 pm Border News. 2.00 Houseparty. 2.25 This Year, Next Year. 3.20 Bygones. 3.50 You're Only Young Twice. 5.15 Out of Town. 6.00 Lookaround Tuesday. 7.00 Emmerdale Farm. 7.30 The Jim Davidson Show. 8.00 Charlie's Angels. 12.10 am Border News Summary.

CHANNEL

1.18 pm Channel Lunchtime News and What's On Where. 2.25 This Year Next Year. 3.20 The Practice. 3.50 The Electric Theatre Show. 5.15 Survival. 6.00 Report At Six. 7.00 Treasure Hunt. 7.30 The Jim Davidson Show. 8.00 Charlie's Angels. 10.28 Channel Late News. 10.32 Theatre Girls. 12.05 am Police Surgeon.

GRAMPIAN

9.25 am First Thing. 9.30 Junior Matinee: "Ivanhoe" starring Robert Taylor. 10.40 Continental Drift. 1.20 pm Grampian News Headlines. 2.25 Tuesday Matinee: "Captain Nemo and the Underwater City". 5.15 Gambit. 6.00 Grampian Today. 6.05 Out of Town. 7.00 Survival. 7.30 The Jim Davidson Show. 8.00 Charlie's Angles. 12.10 am Reflections. 12.15 George Hamilton IV. 12.40 Grampian Late Night Headlines.

GRANADA

9.30 am Sesame Street. 10.25 Tuesday Matinee: "Wyoming Renegades." 1.20 pm Dodo. 2.25 This Year Next Year. 3.20 Out of Town. 3.50 Gambit. 5.10 The Undersea Adventures of Captain Nemo. 5.15 Crossroads. 6.30 Emmerdale Farm. 7.00 University Challenge. 7.30 The Jim Davidson Show. 8.00 Charlie's Angels. 12.10 am George Hamilton IV.

HTV

9.30 am Cash and Company. 10.20 Lassie. 10.45 Survival. 11.10 The Rolf Harris Show. 1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 2.25 The Tuesday Matinee: "Harry Black and the Tiger". 5.15 Melotoons. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 All Snails and Sauerkraut? 7.00 Mr. and Mrs. 7.30 The Tuesday Movie: [illegible]

HTV CYMRU/WALES as HTV General Service except:— 1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.20-4.45 Goglis. 6.00-6.15 Y Dydd. 6.30-7.00 Survival. 10.30 Bywyd. 11.30-12.40 am 51st Hollywood Academy Awards. [illegible]

SCOTTISH

[illegible]

SOUTHERN

[illegible]

TYNE TEES

[illegible]

ULSTER

[illegible]

WESTWARD

[illegible]

YORKSHIRE

[illegible]

RADIO 1

(S) Stereophonic broadcast

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Tony Blackburn. 4.31 Kid Jensen. 7.00 Personal Call. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tony Brandon (S). 7.32 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Jimmy Young (S). 12.15 pm [illegible] Pete Murray's [illegible] David Hamilton [illegible] Walk. 4.45 [illegible] Dunn (S). [illegible] On The Third [illegible] (S). 8.02 S[illegible] Variety Club. [illegible] Round Midnight [illegible] 2.02-5.00 am [illegible] The Music w[illegible]

RADIO 3

†6.55 am Weather. [illegible] Overture (S). [illegible] ing Concert (S). 9.00 News. 9.05 This Week's Composer: Beethoven (S). 10.00 Concert Club part 1 (S). 10.50 In Short (talk). 11.00 Concert Club part 2 (S). 11.40 Barbara Nissman piano recital (S). 12.15 pm Midday Concert part 1 (S). 1.00 News. 1.05 The Arts Worldwide. 1.20 Midday Concert part 2 (S). 2.10 Music At St. George's, Bristol (S). 3.10 Handel (S). 3.30 Cello and piano recital (S). 4.55 Jazz Today (S). 5.25 Homeward Bound (S). †5.45 News. †5.50 Homeward Bound. †6.15 At Home: Concert: Tchaikovsky, Janacek. 7.00 "The Marriage of Figaro" [illegible]

RADIO 4

[illegible]

F.T. CROSSWORD PUZZLE No. 3,944

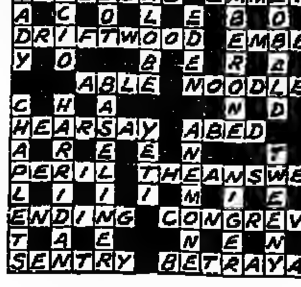
ACROSS

1 Contrive successfully to make chap mature (6)
4 Left shop in disorder, a sign of high living (5-3)
10 Helping the fool I cheat (9)
11 Spoon I once used to hold a vegetable (5)
12 Sailor going round the east for rent (4)
13 B.R. employee on the track or in the dining-car (5-5)
15 I'm returning gift from traveller (7)
16 Soldiers stand and rest (6)
19 Sauce needed to make feline drink (8)
21 Harass people in offence (7)
23 Monster bird getting at grain (10)
25 Crazy to return for knockout (4)
27 Word of regret about a deficiency (5)
28 Animal from northern extreme to tolerate (5, 4)
29 Plea to dine in vestibule (8)
30 Guard posted to railway (6)

DOWN

1 Poor period during the interval (8)
2 Possibly lost again and feeling home-sickness (9)
3 Soldier on the way takes the main point of the matter (4)
5 Means of ignition for boat (7)
6 Wet blanket ruins wine (5-5)
7 Sneak around about four in secret (5)
8 Plain cask on a short road up (6)
9 Soldiers' quarters of little note? (6)
14 Sheep's comb is dilapidated (10)
17 Confection contained in last and main courses (9)
18 Fish that could be straying (5-3)
20 Fish a favourite bank (7)
21 Food the French grapple with (6)
22 Fight over oriental predicament (6)
24 Cunning occupation in ship (5)
26 Egg of the sturgeon? (4)

Solution to Puzzle No. 3,943



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit cards. 01-240 5258. Reservations 01-836 3161. ENGLISH NATIONAL OPERA Tonight & Sat. at 7.00: The Marriage of Figaro. Tomor. at 7: Carmen. Thur. at 7: Manon. 104 balcony seats avail. from 10.00 on day of perf.

COVENT GARDEN. CC. 240 1066. (Gardencharge Credit Cards 836 6903). THE ROYAL OPERA Ton't 7.00 Don Carlos. Tomor 8.00 & Sat. 5.30 Parsifal. THE ROYAL BALLET Thur. & Mon. 7.30 Swan Lake. 65 Amphi. seats avail. for all perfs. from 10 am on day of perf.

SADLER'S WELLS THEATRE. Rosebery Ave. EC1. 837 1672. Next Week. KENT OPERA 17 & 21 at 7.30: Rigoletto (Verdi). [illegible]

THEATRES

MAY FAIR. 01-629 3036. Evenings 8.00. Sat. 6.00 and 8.45. A DAY IN HOLLYWOOD A NIGHT IN THE UKRAINE A MUSICAL REVUE "Superlative non-stop comedy." E. News. "A scorcher of home-grown entertainment." D. Mail. "A laugh riot . . . sheer fun . . . not to be missed. Treat yourself to a good time and see it." S. Express. "The funniest show I have seen in five years." Capital Radio.

NATIONAL THEATRE. 928 2252. "LIMITED DECOR" LOW-PRICE PERFORMANCES DESPITE UNOFFICIAL STRIKE ACTION. OLIVIER (open stage): Tonight & Tomor 7.30 Middleton & Rowley's A FAIR QUARREL. All tkts £2. COTTESLOE (small auditorium): All week (except Fri.) 8.00 Keith Dewhurst's LARK RISE. All tkts promenade 90p. [illegible]

[illegible]

THEATRES

YOUNG VIC. 928 6363. Frm Apl 23 Phil Woods' adaptation of CANTERBURY TALES returns for one week. LOOK BACK IN ANGER returns from May 1.

CINEMAS

ABC 1 and 2, Shaftesbury Ave. 836 8861: Sep. perfs. All seats bookable. 1. THE DEER HUNTER (X). Wk. and Sun. 2.15, 7.30, 70mm Dolby stereo. 2. SUPERMAN (A). Wk. and Sun. 2.00, 5.00, 8.10.

CAMDEN PLAZA Camden Town 485 2443 (opp. Tube) MAX OPHULS' MADAME DE . . . (A). Progs. daily 2.05, 4.15, 6.30, 8.50.

CLASSIC 1, 2, 3, Haymarket (Piccadilly Circus Tube). [illegible]

[illegible]

ART GALLERIES

[illegible]

CLUBS

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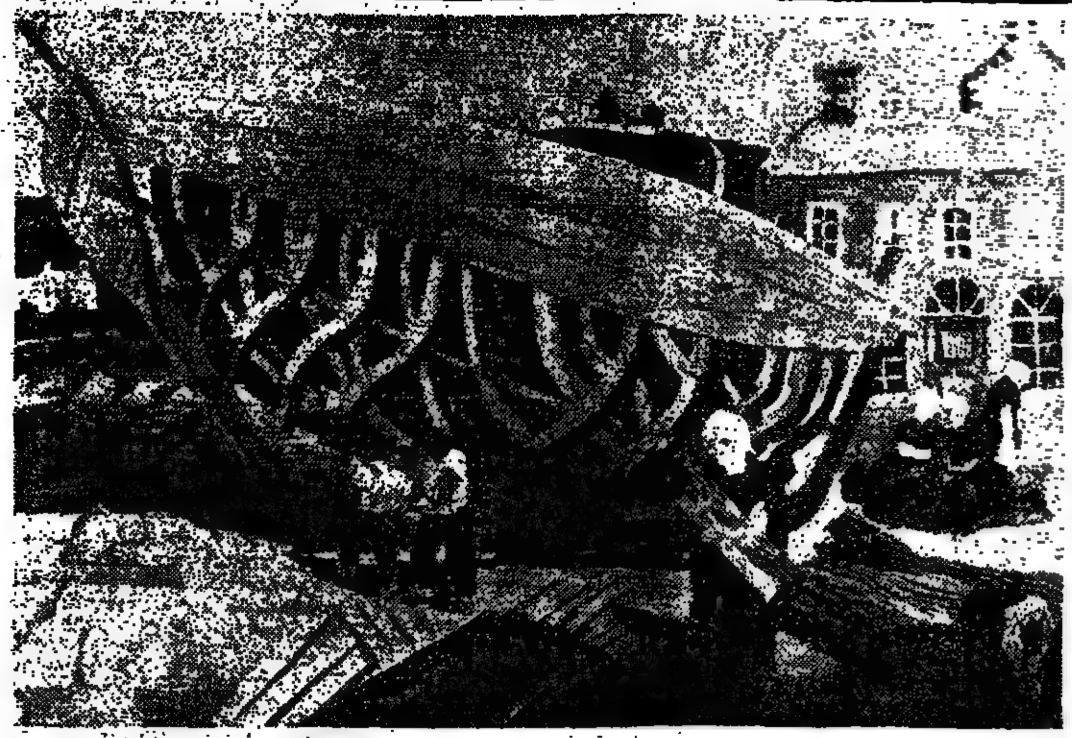
THE ARTS



Building the Boat, Tréboul 1930, by Christopher Wood

The Fitzwilliam, Cambridge/Minories, Colchester

Tolly's Prize Day

by WILLIAM PACKER

A day in the country, which is to say out of London, is always welcome, and both Cambridge and Colchester have more than enough to tempt the occasional visitor north and east; and to historical and architectural pleasures we can now add those of modern English art. With its second showing, the Tolly Cobbold National Exhibition becomes a most important fixture in the calendar, a biennial open competition with prize money attached sufficient to tempt even the most blasé and successful of our artists. The six awards of £1,000 apiece are well worth the winning, while Eastern Arts has chipped in a further £500 to go to an artist working in the regions. The strength of the submission thus attracted is reflected in the work now on show at the Fitzwilliam Museum (until May 6, then on tour to Norwich, Ipswich, Camden and Sheffield).

Touring naturally suggests certain limitations and with the works restricted in size the opportunity has been taken (which was turned up last time) to show nearly 100 works, without any undue congestion. Inevitably a show like this must present an arbitrary and partial view of the work now being done, the jury itself an arbitrary mixture of taste and judgment; but here such variety is tempered by the general high tone of the work, both in terms of seriousness and quality. There are few surprises, the best things all by artists who have made some reputation, the winners all well known, if not to the general public at least to the inner art world.

Not all the prizes would be where they are now had I had any say, but that is a personal response, not a criticism. I do believe, however, that it is the nature of the exercise for members of the jury to grow fiercely partisan as a show is winnowed down to its final state. It might be better to invite them back another day to hand out the cash, or to ask another jury altogether. My personal disappointments, then, rest with Adrian Berg, Henry Inlander and Maggie Hambling among the figurative painters, all of whom I felt deserved some reward, and with John Groom, whose work is evidently maturing remarkably quickly, and John Carter among the abstract. But I was very pleased for Patrick Hughes, with his genial off-duty sun, Matt Rugg, and finally Keith Milow, whose relief crosses impress me more and more; all of them winners.

We have long needed a serious Open Event in the south to run counter-point with the admirable John Moores; and now we seem to have it we must congratulate Tolly Cobbold for its most imaginative and valuable patronage, and Eastern Arts and the Arts Council for having the sense to help.

*

Across in Colchester, at the Minories until the end of this week (and then on to Durham, Aberdeen, Eastbourne and Exeter) is a well-chosen Arts Council show of the work of Christopher Wood. Though retrospective, it concentrates on Wood's last year or two of almost frenzied activity before his suicide on Salisbury Station in mid-1930. He was close to many of the leading artists of the time, notably Picasso and Cocteau, and the French influence is strong in his work. With Ben Nicholson, he was the first to come across the old fisherman, Alfred Wallis, in St. Ives, whose primitive vision affected him deeply. In his last years, especially, he worked extensively in Cornwall and Brittany, and the paintings he made of the fishing villages along those coasts remain collectively his strongest work, direct and deceptively simple statements of his own sophisticated yet desperately innocent vision.

New York theatre

Off-off Broadway calms down

by FRANK LIPSIUS

To the detriment of those cities' cultural life, Broadway-bound plays no longer regularly pass through Boston and Philadelphia on try-out tours. Cancelling the tours, which had become prohibitively expensive, forced producers to find other ways to get their shows ready for New York openings. After Michael Bennett's first play, *A Chorus Line*, was nurtured in Joseph Papp's Shakespeare Festival, the playwright tried to get the same feel by opening his second, *Ballroom*, in an uptown church hall before venturing on to Broadway with it.

A number of plays still come routed through Washington because Roger Stevens at the Kennedy Center there produces plays he expects to send on to New York. He seems to specialise in British productions, having brought over a number of Royal Shakespeare Company works and, recently, giving Alan Ayckbourn's *Bedroom Farce* a last look before sending it on towards success in New York.

Sarava, an amusing musical based on Jorge Amado's *Dona Flor and Her Two Husbands* (a film preceded this musical incarnation), opened in Boston to heartless reviews. The producers promptly closed the show there and moved it immediately to New York, where an effective television advertising campaign brought large audiences to a try-out period that essentially began on Broadway. To the ire of local critics, opening night was repeatedly postponed, since the play was drawing sufficient business not to make the management want to risk adverse reviews. The critics for the three major New York papers voted to review the play on one of the opening nights previously postponed, causing a controversy on the rights of reviewers to barge in on a production versus the rights of a producer to keep the local Press from seeing shows prematurely.

Meantime, the musical itself has modest, though lavish, ambitions which it amply fulfills. The choreography and direction by Rick Atwell combine the Latin-disco beat of the story's Brazilian setting with a touching performance by Tovah Feldshuh as Dona Flor and Michael Ingram as her conscientious but not ardent second husband, the chemist Teo. Voodoo spirits are called for in lively numbers like "*I'm looking for a Man*" and the set by Santo Loquasto, which consists of small locations played in front of the backdrop of a grand receding horizon, contributed greatly to the play's evocative good mood. As an expensive, flashy musical, it is just the kind of production that used to benefit enormously from a long, itinerant try-out period.

Producers increasingly let off-off Broadway productions serve as their try-outs at no risk to themselves. The show is picked up after its opening and the critics' views are in. A successful off-off Broadway run nowadays has a good chance of being selected for a commercial production. While being an excellent boost to the fortunes and prestige of off-off Broadway, the new system has disadvantages, too. We are now witnessing the elevation of a profusion of small productions to Broadway status. *Wings*, Arthur Kopit's essentially one-role enactment of a stroke victim's experience, started as a modest production in New Haven. Constance Cummings has already brought it to New York for a limited run off-off Broadway, and it comes back again now in the Lyceum, one of Broadway's large theatres.

The play, beautifully written and acted as it is, projects a private vision of the world, one that does badly at rattling round a large stage. The loss of verbal skills is effectively rendered with doctors periodically lapsing into incomprehensible gibberish, as does the victim, a former aviatrix whose active life makes the affliction all the more unbearable.

The play provides little in the way of action. When the stage briefly fills up with other hospital patients there is some relief to the unmitigated frustration we witness when the focus remains too closely confined. Even at close range, Miss Cummings' small movements and gestures, her averted stare and fidgeting in a chair, do not come across so well on a large stage meant for gestures visible at greater range.

The new importance of off-off Broadway has brought particular attention to the Hudson Guild Theatre, which generated two current Broadway productions, the award-winning Da and the recently opened *On Golden Pond*. Besides these the 30-year-old theatre director, Craig Anderson, brought nonagenarian George Abbott in to direct a political comedy, *Winning Isn't Everything*, and premiered the latest Tennessee Williams play, *A Lovely Sunday for Creve Coeur*, with Mr. Anderson himself directing.

On Golden Pond is now playing at the recently re-opened New Apollo Theatre, the first "*new*" Broadway theatre in over 30 years and a triumph for the legitimate stage against the "sin house" movies on 42nd Street from which fate the theatre was rescued. Concerned with an elderly couple spending their 48th summer together at their summer house in Maine, the play provides a portrait of a perfect ascerbic frail old man in the character of Norman Thayer, Jnr, as played by Tom Aldredge. Remarks against every conceivable minority make an otherwise likeable old man fall into bigoted clichés from time to time, but ordinarily he is gently handled by his livelier wife, Ethel, played by Frances Sternhagen.

Into their insular world comes a daughter, Chelsea, bringing in tow her latest middle-aged boyfriend and his son, Billy, who will stay with the old couple while Chelsea and her mate go off to Europe. Young Billy, played with an accurate lapse into taciturnity and clichés, gradually comes to read books (!), go fishing and get some activity out of the old man. By the time the summer ends, playwright Edward Thompson convinces us, Billy departs for home in California looking forward as much as Norman does to their

The Hudson Guild has earned its place as a Broadway pipeline with Craig Anderson's announced concern, demonstrated in *On Golden Pond*, to "paint humanity as being positive and constructive." The avant-garde image of off-off Broadway is dissolved in a substantiation of traditional values, quirky but reliable characters and an appeal to sheer sentiment.

Tennessee Williams' latest play, *A Lovely Sunday for Creve Coeur*, must unfortunately be considered another example of the same elements, fitted round a more southerly geographic pole. Here, two spinsters uncomfortably share a flat in St. Louis, circa 1955, where Dottie, played to Williams' overemotional demands with style by Shirley Knight, awaits deliverance from a man she considers her suitor. Most of the play revolves round her room mate Bodie's attempt to hide from her the news in the society column that the beloved man has just been married. The action of the play consists of doing morning exercises while conducting a bickering session that passes for conversation, cooking for a picnic outing at Creve Coeur, a local park, and the rantings of a ghoulish neighbour with little English. This less than idyllic scene is interrupted by a fellow teacher of Dottie's who is trying to pull her up in the world and into a better flat. The four women do not constitute a justification of women's liberation, but they are recognisably the work of their playwright who has tried to infuse enough emotion into the characters to make up for a lack of real motivation or plot.

Lee Kalcheim's play, *Winning Isn't Everything*, is just the opposite, being concerned with the campaign headquarters doings of a small-time politician trying to make it in the big time. A plethora of events is extremely well managed by the director, who has lost none of his deft touch through the years, and the play, though more frivolous than substantial, shows the playwright's familiarity with American politics (where he himself worked on numerous campaigns) and the demands of the stage. Threatened divorce by the candidate's wife and the sexual, as well as political, demands of an important potential supporter give the play plenty of plot and lots of room for the well-co-ordinated cast to move around in.

Constance Cummings and Mary-Joan Negro in 'Wings'

Elizabeth Hall

English Chamber Orchestra

by DAVID MURRAY

For the ECO concert Friday night Murray Perahia was billed as "director/soloist," and one expected him to appear before the two Mozart piano concertos to direct Bartok's Divertimento for strings. In fact the Bartok was played without a conductor—a risky feat, and entirely successful. The interplay between solo passages and tuttis was crisply defined, and no hint of caution blurred the rhythmic snap of the music. There were no laggards at the rear desks. Only the four violas seemed too few: their playing was as brightly characterised as the rest, but against 14 violins and four cellos they were a little underweighted.

The energetic, martial opening of the first of Mozart's three mature concertos in C would hardly have needed Mr. Perahia's promptings; and he chose to treat the piano part with reflective delicacy, as much in the outer movements as in the limpid Andante. It was of this concerto and its two companions of 1782-83 that Mozart boasted, "There are passages . . . written in such a way that the less learned cannot fail to be pleased, though without knowing why." No such finesse went unremarked by Perahia, who saw to it that the less learned couldn't miss them. One more degree of self-consciousness might have been excessive, but he stopped just short of that, and the overt subtleties were delightful.

The E-flat Concerto K482—a less "objective" reading than Richter's of a few days earlier—was distinguished by a particularly lovely Andante, sustained by the ECO's excellent woodwinds. Both the Allegros were freshly witty. A captious critic might enter a small reservation about Perahia's trick of making an expressive surprise by dropping away at the natural peak of a phrase, which he indulged from his first entry—but he does it very winningly. One would be lucky to hear a happier performance.

Radio 3

Bartok and Mozart

by MAX LOPPERT

Bartok's *Contrasts* for piano (Zsuzsanna Sirokay), clarinet (Thea King), and violin (Erich Gruenberg) opened yesterday's BBC lunchtime recital, broadcast from St. John's, Smith Square. The title of Bartok's marvellous small suite of character pieces might also have served as the recital's own sub-title—though in this sense the contrasts were those of performance style, and not always conferred with absolute suitability on the music. The work was neatly sprung and sounded, on its own terms an agile account of the humours and poetry of village life that Bartok evoked in two framing dances and a central slow movement; but there appeared to be no single dramatic impetus inspiring and relating the three players.

Miss King's clarinet was smooth and fleet, Mr. Gruenberg's violin very precise, if insufficiently gutsy; it was hard to prevent memory of the two original (and very different) performers, Benny Goodman and Szigeti, from impinging on the music-making. In the middle movement, "Relaxation" clarinet and violin failed to phrase together, as though forming the two matching parts of a *Mikrokosmos* study in contrary motion; later on, trills weren't matched. Details—but they help one to understand why such tidy ensemble and playing should nevertheless have fallen a trifle flat.

The other half of an attractive bill was devoted to Mozart. Miss Sirokay returned to play the A minor Rondo, K511—sensitively, but not very limpidly. Tonal emission and phrasing tended to be jerky subject to an inapposite emotional impulsiveness—the music runs deep, but also quietly. In the great E flat Trio K498, for clarinet, viola, and piano, the dusky viola tone, immaculately controlled, of Nobuko Imai, struck a good balance with Miss King; but again, the pianist's manner was too angular.

Wigmore Hall

Frans Brüggen

by DAVID MURRAY

On Saturday Frans Brüggen gave a solo recital, accompanied only by himself on a huge gong in the last work. Though rich, the programme was not long: a single recorder, or rather a single player with several recorders, cannot play on and on.

The three 16th-century Ricercate with which he began displayed his finely modelled tone and water-drop staccato, as well as his immunity to the all too familiar hazards which beset lesser recorder players. In Jacob van Eyck's "Amarilli mia Bella" he offered a marvellously sensuous pastoral line that swayed and looped with instinctive freedom—just how a native wood-note wild should sound. A G minor Suite by Jean-Féry Rebel, like the flute Partita by his near-contemporary Bach, showed off Brüggen's inimitable rhythmic energy and clarity, though those were wholly at the service of the music. Rebel's elaborate Passacagnia inspired an astonishing range of tone-colour and attack.

The Bach was substituted for a promising-sounding multiple piece by Vivaldi, Rousseau and Brüggen himself, which required electronics that couldn't be made to function. That left only Maki Ishii's *Black Interiors* to represent the 20th century. It began with pentatonic permutations on a tiny recorder (soprano? sopranino?); presently Brüggen placed a second recorder to his lips, too, and maintained a corybantic duet with himself for some time. It rose to a shrill climax, marked by an almighty crash from the gong mentioned earlier, and diminished to a solo which retreated, a little more chromatically, to whence the music had come. There was some honest musical conviction in it, and it made a splendid turn.

City Arts Trust has first full-time administrator

The City Arts Trust, which promotes the arts within the City of London, has appointed its first full-time administrator, Miss Virginia Harding.

From 1973 to 1978 Miss Harding was responsible for the administration of the biennial Carl Flesch International Violin Competition, organising all aspects of the event in 1974, 1976, and 1978. As the Carl Flesch is run in conjunction with the City of London's biennial festivals she will remain responsible for organising the 1980 competition.

Festival Hall

Mahler 2

by ANDREW CLEMENTS

It may be that any performance of Mahler's *Resurrection* Symphony on Palm Sunday is already three parts of the way to being a triumph before it starts, without the considerable advantages of Claudio Abbado as conductor, the London Symphony Orchestra on its keenest form, and a pair of top-flight soloists. Equally, it is almost impossible not to be moved by a performance of the *Resurrection*, for all its bombast and theatricality, its blatant substitution of programmatic linking for thorough-going organic structure. In the Second Symphony, Bruno Walter suggested, "Mahler asks the reason for the tragedy of human existence and is sure its justification is to be found in immortality." You may not accept Mahler's message, but you cannot fail to respond to the exhilaration with which he delivers it.

If he has not attained the status already, Abbado is fast becoming one of the finest Mahler conductors of the present time. His approach is an effective blend of the operatic and the symphonic, mixing the flamboyant with the devotional, the analytical with the symphonic as if he were charting a course through a grand opera. It is an achievement which even contrived to make the Technicolor ending of the Second sound convincing, turning it into a glorious affirmation of faith. But it worked to most musical ends in the first movement, by means of a network of precisely calculated tempi (the result of a scrupulous observance of Mahler's own indications in the score) and an extraordinary dynamic range. Abbado's Mahler is clearly not intended for any orchestra that cannot produce the most velvety of pianissimos or sustain brazen fortissimos without losing the shape of the melodic line: throughout the LSO's strings and brass were superbly controlled.

Jessye Norman was the bonus mezzo-soprano soloist, a last-minute replacement for Lucia Valenti; as honeyed of tone as ever, rapt in the *Das Knaben Wunderhorn* ingenuousness of the fourth-movement *Urlicht*. Here Abbado surrounded here with a gloriously rich web of sound, though elsewhere in these three central movements his conducting seemed a shade equivocal, as if disappointed that they did not contain the challenge of the first and last. Barbara Hendricks was not surprisingly a little in Miss Norman's shade but she combined well with the LSO Chorus, a more alert, enthusiastic group than when last I heard them.

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Inflation: the second wave

THE GOVERNOR of the Swiss central bank is reported to have been rather hurt at a recent meeting with his opposite numbers when his complaint that the Swiss inflation rate had doubled won no sympathy at all from his colleagues. It is now expected to reach 2 per cent. British observers will probably feel a similar lack of sympathy for the German authorities, faced with a warning from their own forecasting organisations that inflation there may pass 4 per cent in the coming year. In this context, the latest figures from the UK economy are only reassuring in the most temporary sense. It may after all be another month or two before we are back in double figures.

Oil impact

It is true, of course, that although our figures are so much worse than those in the stablest countries, they are no longer the most worrying in the developed world as they were two or three years ago. The most recent inflation figures from the U.S., France and Italy have been worse.

In the industrialised world as a whole, on the other hand, the combined effects of the dollar crisis last year and the crisis in Iran this year are now clearly *causing a secondary wave of inflation*, similar in principle to the one which undermined the world economy in 1974, but much smaller.

The figures now appearing in the forecasts may look quite modest to British readers, but unhappily they are probably too low to be taken as a guide. When inflation is internationalised, as at present, there is a cumulative effect—as rising prices in one country appear in the import bills of others—which is not captured in the early warning figures.

Of course, where these movements are offset by exchange rate changes, there are no international repercussions. Japanese goods will be cheaper, not dearer, if the 15 per cent decline in the external value of the yen which has occurred since October is consolidated. The recent stabilisation of the dollar has led to a sharp reversal of exchange rate trends between third countries, as markets have again begun to respond to interest rate differentials, and the yen, which took the biggest adjustment upwards during the dollar's decline, has relapsed accordingly.

Other countries which made more strenuous efforts to preserve competitiveness against the dollar, such as Germany and latterly Switzerland, are now demonstrating the truth that it is impossible to preserve *competitiveness against an inflating* economy without catching some of its inflation. In the UK, by contrast, domestic objectives have remained the main guide for monetary and exchange rate policy. The wholesale figures suggest that we are avoiding imported cost inflation, but at a high price in competitiveness. Our own prospective inflation is home grown.

If current figures reflected only the backwash of recent monetary turmoil, together with domestic wage *pressures in* some countries, one might expect to see inflation rates tending to converge at the moment, with improved performance in some countries balancing the deterioration in *others. It is the energy crisis* which has made a worsening prospect into a world-wide phenomenon.

The experience of 1974 should be sufficient warning against the simple-minded calculations that the recent rise in oil prices will add 1 per cent to world inflation. Inflation is not caused by realistic relative price adjustments, but by efforts to escape reality by deficit financing, compensatory wage claims and the like. The *relative tightness of U.S.* monetary policy at present, and the deregulation oil prices in the U.S., does hold out the hope that we can get through the present adjustment without a repeat performance of the dollar crisis and the excessive creation of world liquidity.

Breathing space

For the UK, ironically enough, the oil price rise offers a short breathing space: the *North Sea will provide some of* the real resources to meet one last round of unrealistic wage settlements, without a crippling loss of competitiveness. The unsolved problem facing the next Government is to ensure that as the coming inflation crisis abates, we progress in step with our competitors.

Party feuding in France

IT IS now more than twelve months since President Giscard d'Estaing's Centre-Right coalition beat off the most serious left-wing challenge in French national elections for twenty years. But the reverberations are still rumbling through the French political system. Last week saw relations between the two main coalition partners, Giscardians and Gaullists, reach a new degree of acrimony as M. Jacques Chirac, the Gaullist leader, stepped up his long-running campaign against M. Giscard d'Estaing. Anxious to undermine the President's image as a winner in advance of June's European elections, and looking further ahead to the Presidential race in 1981, M. Chirac predicted that M. Giscard d'Estaing would lose his re-election compaign unless he changed his policies.

Opposition

But dissension in the governing majority is matched by equal disarray in the ranks of the opposition. Socialists and Communists have still not made up the quarrel that helped to ensure last year's defeat, and the Socialists are showing an increasing tendency to parade *their internal differences in* public. Their week-end National Congress in Metz, at which they failed to agree on a compromise common programme, is the latest and most serious example. The split is particularly damaging for the Party in that it confirms the sharp political and personal differences between M. Francois Mitterand, the Party leader, and his main rival, M. Michel Rocard.

Until the weekend, the Socialists were riding high on the results of last month's cantonal elections, which substantiated their claim to be the country's biggest party—at least at local level. M. Mitterrand went into the National Congress with reason to be confident of easy victory in his bid to retain control over his party. He has, in the end, retained his position as First Secretary—but at the cost of losing his overall majority support. The unresolved argument between his supporters and those of M. Rocard can only damage the party's credibility in the run-up to the European elections, and, in the longer term, M. Mitterrand's chances of winning another chance to contest the Presidency.

The dispute between the two men is partly over economic policy. M. Mitterrand attaches greater weight to State control and central planning, while M. Rocard believes in a mixed market economy. But their disagreement also reflects the wider dilemma that has faced the French Socialist Party for so many years. Put simply, this is that the Socialists, in the absence of other allies, can only hope to reach power in alliance with the Communists. But it is precisely this alliance that tends to put off the voters when it comes to the crunch in national elections. Thus, while M. Mitterrand maintains that the Party must once again seek to rebuild the Union of the Left, M. Rocard wants the Socialists to put greater stress on their own distinct identity.

It is far too early to tell who will ultimately run on the Socialist ticket in 1981. M. Mitterrand has not yet decided whether he will seek the nomination and does not want to do so for another 18 months. The split is not yet so deep as to prevent the Party closing ranks behind whoever is chosen. But for the moment, neither of the main contenders looks like a sure winner. M. Mitterrand has lost twice before, while M. Rocard, though advancing, has a long way to go before he captures full control of the Party. Pace M. Chirac, M. Giscard d'Estaing must at this stage still be regarded as the favourite.

Realignment

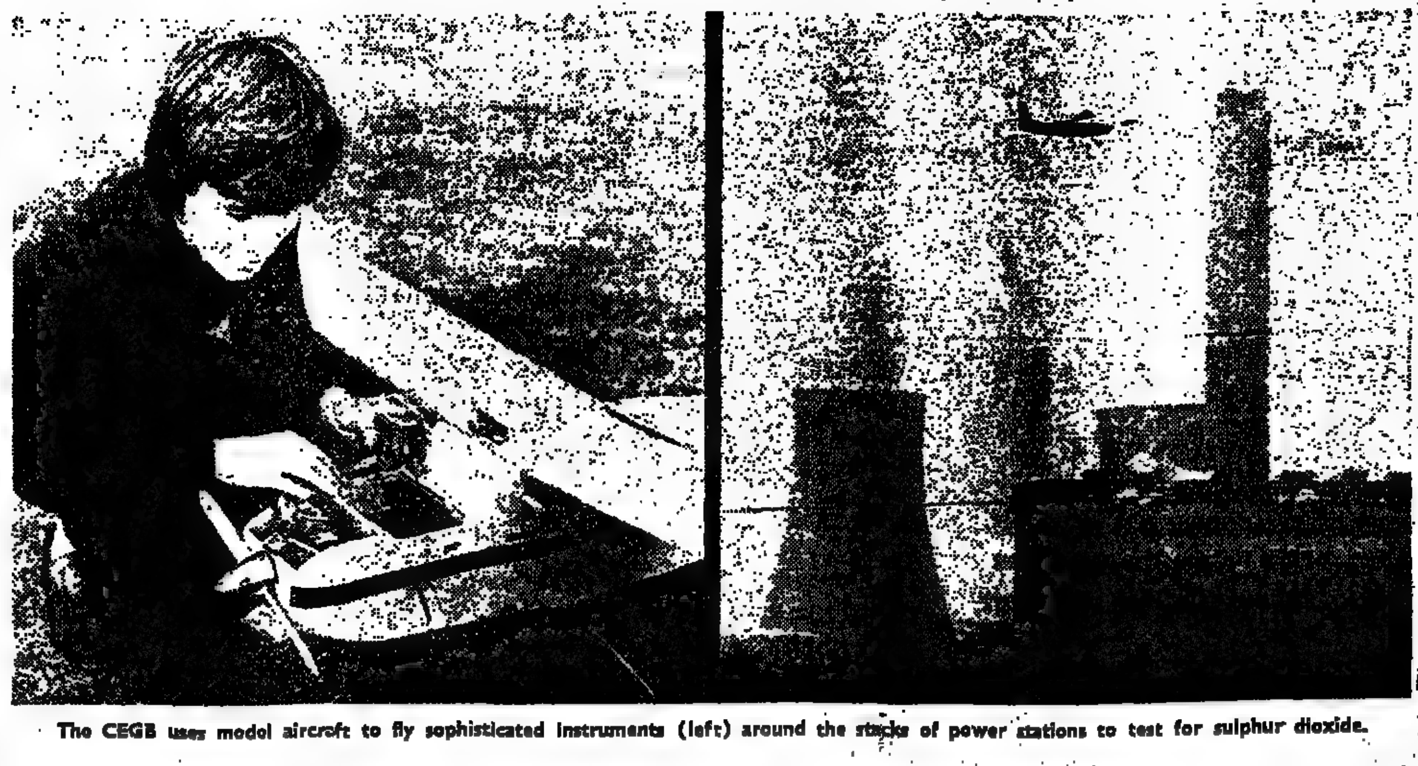
M. Giscard d'Estaing's supporters have long been hoping to do well in the European elections. The imminence of the poll, which in France is seen as an extension of internal politics is a major factor behind the recent squabbles on both right and left, with Communists and Gaullists taking an increasingly strident anti-Community line. If the Socialists and Giscardians nevertheless score highly, the result could give encouragement to those who believe in a realignment of French politics to produce a Centre-Left governing majority. M. Giscard d'Estaing is widely thought to be among their number. But not even M. Rocard would be likely to envisage such a major change before the Presidential elections. Any such solution, whatever its possible merits, must be seen as a long-term, not an immediate prospect.

The blacker side of the coal picture

By DAVID FISHLOCK, Science Editor

THE NUCLEAR accident in Pennsylvania and the swift cancellation by the New York State Power Authority of a nuclear plant of the same design and maker are events bound to encourage other electrical utilities to look again at coal. In Britain, when the nuclear accident happened, public interest was beginning to refocus on coal as a potentially disturbing substance for the environment. The last time this happened in Britain it led to the Clean Air Act of 1956. Severe restrictions were imposed on the freedom to burn coal in urban areas, but since then the coal industry, an influential employer, has enjoyed relative immunity from *political* criticism.

Now two national inquiries into future plans for coal and its use in Britain are being launched by the Government. Their outcome could have far-reaching consequences for many countries which, like Britain, are putting their faith in the "coconuke" (coal - conservation-nuclear) strategy for long-term guarantees of adequate energy supplies. One inquiry is *the Belvoir public inquiry* into the National Coal Board's plans to open three new pits totalling 7.5m tonnes of annual output. The preliminary hearing begins next month, to be followed by the full-scale inquiry in the *autumn.*



The CEGB uses model aircraft to fly sophisticated instruments (left) around the stacks of power stations to test for sulphur dioxide.

New pit inquiry

The NCB will say that it needs these new pits, in an area of Leicestershire with no previous traditions of coalmining, to supply the big coal-fired power stations of the East Midlands, whose present sources will be nearly *exhausted in another* decade.

The second inquiry has already begun. It is the Coal Study by the Commission on Energy and the Environment, *an interdepartmental body set* up by the Departments of Energy and the Environment. Its chairman is Lord (formerly Sir Brian) Flowers, physicist, and rector of Imperial College, London. This commission has planned a two-year investigation of coal—the environmental impact of its production, supply, conversion and use. As a start it is asking the organisations most conspicuously concerned with these matters, such as the NCB itself and its principal customers, to submit papers on which they can be questioned, in order to try to focus on any areas of genuine concern.

Last week it was the turn of the Central Electricity Generating Board to be questioned. The CEGB is the biggest of the NCB's customers and will burn 70m-80m tonnes of coal this *year in its power stations.* The lower figure, according to CEGB estimates, will release into the atmosphere about 2m *tonnes of sulphur dioxide*—about 35 per cent of the total UK emissions of this pollutant in Britain. The balance comes from the burning of oil, from coal burnt by other power station operators, and from the steel industry. Sulphur dioxide is not the only toxic substance released by the burning of coal, but it is the most controversial one.

British steam coal, which averages 1.6 per cent sulphur, is acknowledged to be responsible for a significant fraction of all releases of sulphur dioxide. A recent OECD study, Clean Fuel Supply, estimates that Europe is currently releasing about 20m tonnes a year. By 1985, it finds, the 24 OECD nations of the *world—which include the U.S.* and Japan—will be releasing 57m tonnes a year. The study says that sulphur dioxide *releases remained steady* from 1968 to 1974, despite an increase of 26 per cent in fossil-fuel consumption. But the authors believe that releases will increase by another 23 per cent by 1985 unless there is heavy investment in new technology to hold down emissions. They estimate that it will be costing Europe an additional $1.55 bn-$1.8bn a year from 1985 merely to hold sulphur dioxide releases at today's levels.

Power station emissions

About two-thirds of Britain's electricity comes from the burning of coal. That proportion will decline only slowly during the next decade or two as more nuclear stations come into service. The CEGB estimates that the cost of removing 90 per cent of the sulphur dioxide from its power station emissions would add 25-30 per cent to the cost of generating electricity in these *stations. It questions* whether that premium is worth paying. (It may, however, seem modest compared with the cost of the *most promising of the new* "benign and renewable" sources of electricity, namely wavepower, which is likely to be at least 20 times as expensive as coal).

As the CEGB sees it, the air in Britain was dramatically cleaned up when the Clean Air Act forced many people to stop burning coal in small, inefficient combustors such as open grates, and concentrated it in large power stations. It claims that 25,000 tonnes of coal burned in a modern power station has no more adverse effect than 1 tonne burned in a domestic grate.

That leads on to one important question about which the Flowers commission will want *to satisfy itself:* at what concentrations of sulphur dioxide are people—particularly such people as bronchitics who are especially sensitive to sulphurous fumes — farm animals, and crops are *damaged?*

Sulphur dioxide is a natural —and essential—component of the atmosphere, with a pivotal role in the formation of protein. It is also undoubtedly a toxin in high concentrations. How difficult *it is for scientists to set* safe limits is shown by differences by a factor of 20 between what different countries consider the acceptable average daily concentration.

The British electricity supply has long put it faith in what is often known as the "tall-stack policy." After a flirtation at two London stations with a technology called flue gas desulphurisation, which washes sulphur and other pollutants from the boiler exhaust fumes, it settled instead for very tall chimneys for its new stations. Fumes cooled and dampened by washing, it says, prove more objectionable to those living nearby than untreated fumes. Washed fumes descend rapidly to the ground, bearing an inevitable residue of sulphur.

The tall stacks of modern power stations rise to heights of *650-850 ft, depending on the* terrain. Hot flue gas issues from the several narrow flues of the stick at speeds high enough to carry it far beyond this level, perhaps 1,500 ft, deep into the turbulent lower region of the atmosphere known as the "mixing layer." This extends about a *mile from the ground.* The theory is that if the flue gas is injected into the heart of this mixing layer, usually it will be well and truly dispersed.

The evidence seems to be that it works. Sulphur dioxide levels are monitored at about 1,200 points around Britain, and collected by a government laboratory. The average annual level has fallen by a factor of 2.5 since 1960. *But the electricity supply industry continues* to study the idiosyncrasies of the mixing layer, to try to understand the conditions which can sometimes cause a high ground concentration of sulphur dioxide. One of the latest ideas of the CEGB is to use model aircraft, radio-controlled, to fly sophisticated instrument packages around the stacks of power stations. By this means the scientists can even freeze samples of the atmosphere, so that their models return with "snapshots" of the precise chemistry at a given time and place.

Acid rain accusation

Not everyone accepts the CEGB view that for most of the time its flue gases are so thoroughly churned up in the mixing layer that nowhere, close to or far from the power station, is the sulphur dioxide concentration raised to a damaging level. An organisation called the International Youth Federation of Environmental Studies and Conservation has submitted *evidence to the Flowers commission* asserting that the British electricity supply industry is partly responsible *for widespread damage, along* with other electricity producers in western Europe. It claims that fumes are somehow being channelled towards Scandinavia, where they return to earth as "acid rain."

The environmentalists put the cost of acid rain—through loss of crops, fish and forest products, plus corrosion—at £360m-£526m a year. They urge the commission to recommend to the British Government statutory limits on the emission of sulphur dioxide from all large-scale coal-utilising processes in Britain. Whether they have a serious case is likely to prove one of the trickiest questions the Flowers commission must try to answer. It will hear evidence *from a scientific study by the* OECD in the mid-1970s suggesting that Britain is exporting sulphur dioxide to Scandinavia. It will hear evidence from the CEGB that sampling by aircraft flying above the North Sea has *failed to detect any conduit for* the pollution.

What seems to be less open to question is that the cost of adopting another policy for controlling sulphur dioxide will be very high. An international review by the UN Economic Commission for Europe, carried out by Dr. R. A. Barnes, has recently concluded that the cost to Europe of reducing sulphur dioxide emissions by only 50-60 per cent will be £5bn a year. The CEGB endorses the figure.

Several alternative courses of action are open to the electricity producers. For example, they could use coal with a lower content of sulphur. British coals contain from less than 1 per cent to more than 2.7 per cent. *But the freedom* of the CEGB is severely curtailed by the facts that it is the NCB's biggest customer and burns its lowest-grade product.

It is possible to remove the sulphur before it is burnt. The *main disadvantages here are* that several million tonnes of coal a year would be lost in the *washing process; and that* a new pollution problem would appear, namely how to dispose of the sulphur sludge. The CEGB has begun to investigate a new idea for magnetically separating sulphur compounds from coal-dust.

The course usually urged by environmentalists is flue gas desulphurisation (FGD), the process installed at Battersea power station in the 1930s and at Bankside in the 1950s, but then abandoned in Britain in favour of tall stacks. It is a chemical treatment, designed to remove sulphur by combining it with lime, limestone, or another cheap reagent.

No one doubts that it can be done, *using flue gas scrubbers* already commercially available. In fact it is a statutory requirement for new fossil-fuelled power stations in the U.S., under the 1977 Clean Air Act; and in Japan, which has already installed 33 FGD units, mostly on oil-plants. In the U.S. especially it has caused heated controversy, since the new act is interpreted by environmentalists as calling for 80 per cent sulphur removal regardless of the sulphur content of the fuel.

The basic problem with FGD is that it is very troublesome and therefore costly to extract efficiently a very small component—typically only 0.12 per cent—of a very large volume of hot gas. The CEGB has rejected *most processes on the grounds* that they would produce a huge volume of sulphurous sludge "like grey toothpaste," to be disposed *of in addition* to the 650,000 tonnes of ash annually from a 2,000 MW station. Each *year it would fill a "lake" of* 86 acres to a depth of *3 ft.*

The CEGB has examined the cost of installing an FGD process which can extract sulphur as a relatively pure solid, and might thus find a market. This is the Wellman-Lord technology, invented in the U.S. and already demonstrated there and in Japan. The technology is now owned by a British company, Davy International, which has acquired Wellman-Lord.

Environmental protection

The CEGB puts plant costs at an additional £190m for a 2,000 MW station. There would be no saving on the tall stack which would still be needed to disperse the reheated flue gas. Power consumed would amount to 45 MW, equivalent to an extra 270,000 tonnes of coal a year. The effect of capital plus operating cost, says the CEGB, would be to add 25 to 30 per cent to the cost of generating electricity in the station. Ironically, the outcome would even be higher levels of sulphur dioxide and other pollutants in the vicinity of the station, because the cooled flue gas disperses less efficiently. Environmental protection, clearly, is a problem with many *pitfalls for anyone who thinks* it is simple to supply the energy needs of our society.

MEN AND MATTERS

Business for art's sake

Lina Lalandi, director of the English Bach Festival, returned to the attack yesterday against commercial sponsorship of the arts. "It is a form of advertising," she complained to me. "That is why companies support productions of Rigoletto and suchlike—which give immediate publicity. They tend to ignore the events that really need help."

This year's Bach Festival, which starts in ten days time with a fortnight of 18th-century ballet in the Banqueting Hall, Whitehall, does not have a commercial sponsor. Perhaps, given the views of the director, this is scarcely surprising. "It is the Arts Council which provides the help upon which everyone relies," she insists.

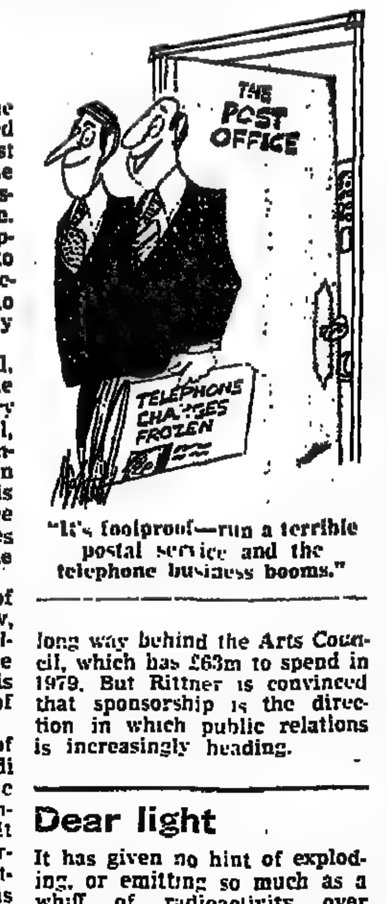
But the secretary-general of the Arts Council, Roy Shaw, takes a different line. "I welcome business support of the arts," he said. "All we want is adequate acknowledgement of public sponsorship."

Right at the opposite end of the spectrum from Miss Lalandi is Luke Rittner, director of the Association for Business Sponsorship of the Arts. He says: "It is a civilised vehicle for furthering business activity." As Rittner points out, sponsorship is tax allowable.

"If a company supports an arts event, it must be a form of business." It is a two-way deal. If a company sponsors anonymously, that will not be a deductible expense."

This was confirmed by a spokesman for the Inland Revenue: if a company tries to do good by stealth, the taxman will not help. "It is another name for advertising," says Rittner —which is where he surprisingly agrees with Miss Lalandi. One benefit of sponsorship is the prospect of editorial mention for a company—more valuable for image-making than straight advertising.

The association (with Lord Goodman as chairman of its advisory council) dispensed £1.25m last year. This puts it a long way behind the Arts Council, which has £63m to spend in 1979. But Rittner is convinced that sponsorship is the direction in which public relations is increasingly heading.



"It's foolproof—run a terrible postal service and the telephone business booms."

Dear light

It has given no hint of exploding, or emitting so much as a whiff of radioactivity over Washington, but President Carter's rooftop solar showcase — due to be completed at the end of this month — is beaming out only lukewarm news on alternative technology.

The relatively modest design for 32 solar panels on the mansion's west wing will provide most of the hot water needed for washing dishes in the staff mess. Work started last week, while the nuclear accident in Pennsylvania was still rumbling on.

It sounds like a timely initiative which could do Carter nothing but good. But the President's cousin, Hugh, a hitherto trouble-free Carter relative who administers the White House payroll and expenses, now says that the outlay has spiralled, *and installing the panels will* cost £14,000. Given less-than-spectacular increases in fuel prices over their 20-year life, the panels will fall just short of breaking even, he says dispiritingly.

In the even of — dare it be suggested? — bad plumbing, at least nothing worse can happen than a minor wash-out in the kitchens.

Meeting Zillmer

"You can count yourself unique in the country," said Ronald Skerman, chief actuary of the Prudential in tones of amazement. "I've never met anybody who didn't know what Zillmerizing was."

"What about the European Commission people?" I protested lamely. "No one had the faintest idea."

"They must have been bluffing."

Skerman has been talking to the European Community about insurance for 16 years, even before Britain joined. And Zillmer adjustments figured high on the agenda. Zillmer has been on the lips of actuaries and insurance men for years, says Skerman. It is nothing more interesting than the allowance made for the lower costs associated with renewal premiums compared with the expense of procuring insurance business in the first place.

And Zillmer himself? "I think he was a German, or maybe an Austrian. He was the chap who invented the technique."

Talking shop

Lord Cromer will no doubt have much to contribute to Marsh and McLellan, the world's biggest insurance broker, which he is joining as an "international consultant."

Under the energetic leadership of chairman Jack Regan, "Marsh and Mac" is a leading proponent of the New York Insurance Exchange, which is to become reality in the coming weeks.

The recently negotiated tie-up *with CT Bowring, the major* Lloyd's broker, has also raised eyebrows in the City.

A former governor of the Bank of England, Cromer should have some good advice—if he can make himself understood. It seems that Marsh and Mac specialises in a curious kind of nonsense talk to which Cromer will need to adjust. The latest set of accounts offers some examples in the thoughtful introduction to shareholders of "some of the people who wrestle with our complex problems, respond to the challenges and develop the opportunities we have discussed in previous reports."

Sure enough, 17 of them are given a chance to air their views ranging from the gnomic to the Delphic. "We try to convince everybody here that our business is people first and paper second," remarks one broker. "But it's both people and paper we have to deal with."

"In reinsurance," chips in another, "there can be a lot of money changing hands passing through us as a broker. You just can't sit on it." Of course.

Mosque money

Despite the burning of 400 banks in Tehran last year, western-style Iranian banking continues to function in non-Islamic, interest-charging, ways. Institutions of which the Ayatollah would approve have yet to be created, but to the dismay of bankers some people are already finding more "correct," and (to their minds) more secure ways of depositing their money.

At least one mosque in Tehran now functions part-time as a bank. For two hours each afternoon volunteers supervise the taking of deposits. They will also give loans—interest-free, of course.

The bright side

Overheard in Fortnum and Mason's: "Of course we're living above our means—fortunately we can afford it."

Observer

FINANCIAL TIMES

Eurobond Quotations and Yields

AIBD

THE ASSOCIATION OF INTERNATIONAL BOND DEALERS

At 30th MARCH, 1979

The Association of International Bond Dealers (AIBD) compiles current market quotations and yields for Eurobond issues. These quotations and yields are published monthly by the Financial Times. The Association's prices and yields are compiled from quotations obtained from market-makers on the last working day of each month. There is no single stock exchange for Eurobonds in the usually recognised sense—secondary market trading business is done on the telephone between dealers scattered across the world's major financial centres. Membership of the AIBD (which was established in 1969) comprises over 450 institutions from about 27 countries.

Eurobonds in March

BY FRANCIS GHILES

March will be remembered in the international bond markets as the month during which the threat of further rises in inflation and interest rates, combined with the rise in oil prices, troubled the hard currency sectors of the market, Yen, Deutsche-Mark and Swiss Francs.

The dollar sector witnessed a steady rise in prices with intermittent buying pressure. A steady dollar and the general easing of interest rates has helped maintain a strong undertone. The sterling sector meanwhile has been through something of a boom riding on the crest of a strong gilts market and a rising currency.

In the hard currency sector, the Swiss Franc sector was one of the hardest hit: by the middle of the month, investors could no longer see the justification in currency terms for the sharp disparity between yields on Swiss Franc bonds and those on dollar issues. The outlook for rising interest rates thus made the Swiss Franc bond market very vulnerable.

Although bond prices recovered briefly at the end of the third week in March following the decision by the big three Swiss banks to freeze all new straight issues bar one before Easter, the fall in prices resumed in the middle of the following week. By last week, many issues had reached their lowest level for a long time: the recent public issue for Australia was quoted as low as 95.

The decision to freeze new straight issues, followed a week later by a decision of the same three banks to curtail the number of Japanese convertibles brought to an end a period of two and a half months in which the Swiss market has been able to have it both ways. Institutional investors were particularly flush with funds, demand was thus above average and enabled the market to digest a sharp fall in interest rates and a high volume of new paper without much effort.

The diverging interest of lenders and borrowers showed at first in disagreement over maturity rather than rates. Investors reluctance to tie up funds too long at prevailing yields was very strong: this led to the maturity on both the Canadian and Australian public bonds to be trimmed from 15 to 10 years. It had been the short maturity of the Carter notes which made them so attractive in January.

Both these issues were undersubscribed with in view of the poor state of the market and the size of the issues is not entirely surprising.

At the end of the month, coupons on Japanese convertibles were steadily moving up. Rhythm Watch was the first company to arrange a convertible which included a coupon of 3¾ per cent. In the month or so before the end of March a coupon of 3½ per cent on Japanese convertibles had been the norm.

The steady recovery of dollar bond prices and of the U.S. currency hastened the débâcle: this recovery did not help the DM sector which despite its faring better in the later part of March weakened again at the beginning of April. The amount of new issues agreed by the capital markets sub-committee on March 24 was set at a maximum of DM 770m, including the issues for supranational bodies which are not technically included in the calendar of new issues.

Some German bankers felt this volume was a little too high considering the slow recovery of the market. The prices of some of the recent DM denominated bonds in the secondary market would suggest this sector remains fragile, with prices being negatively affected both by the rise in domestic rates in Germany, the strength of the dollar and rise on the price of dollar denominated bonds.

The Eurodollar sector of the bond market has had a good month: although buying interest has not always been strong, the stability of the U.S. currency and the easing of interest rates did help the market. New issues tended to be in the form of floating rate notes (again with a coupon based on three month rather than six month Libor), private placements or convertibles. The Galveston Houston convertible was a notable success.

At the tail end of the month a $75m issue for EDF later increased to $100m reopened the straight sector of the market and met with a fair success despite some investors' objection to the fact the bond could be redeemed at 100½ after three years. These investors felt they could get higher returns on three-year money elsewhere.

Two other straight dollar issues, one for Itel, the other for the Nova Scotia Power Corporation were announced at the end of last week. This news and the good reception afforded to the EDF bond suggests that all the bonds announced in February have now been placed and that there is a shortage of paper.

Sterling denominated bonds enjoyed a very good market: the two new issues announced during the month for FFI and GEC, quickly rose to a premium in the secondary market but seasoned sterling bonds benefited also from the strong market. There were no signs at the end of March that the tone in the market was about to change but many corporate borrowers were waiting for a fall in MLR and hence in the coupons they would have to pay on sterling denominated bonds before committing themselves to the new issue market.

The Canadian dollar market was reopened at the end of March with three new issues, after being closed for 18 months. The new issues were all well received with the one for Hudson's Bay Co. being increased in two stages to C$60m. The biggest issue in Canadian dollar was announced at the beginning of April, a C$80m offering for the Royal Bank of Canada.

The reopening of this sector was made possible by the improvement of the Canadian dollar since the beginning of March. The Canadian currency stood at C$0.83 against the dollar at the beginning of March but had moved up to C$0.86 by the end of the month.

This improvement is reinforced for the investor by the higher yield he can get on the new Canadian dollar issues than on recent U.S. dollar ones. Nor is the possibility of a further reappreciation of the currency not absent from the minds of at least some of the buyers of Canadian dollar bonds.

CONTENTS

The table of quotations and yields gives the latest rates available on 30th March, 1979. This information is from reports from official and other sources which the Association of International Bond Dealers considers to be reliable, but adequate means of checking its accuracy are not available and the Association does not guarantee that the Information it contains is accurate or complete.

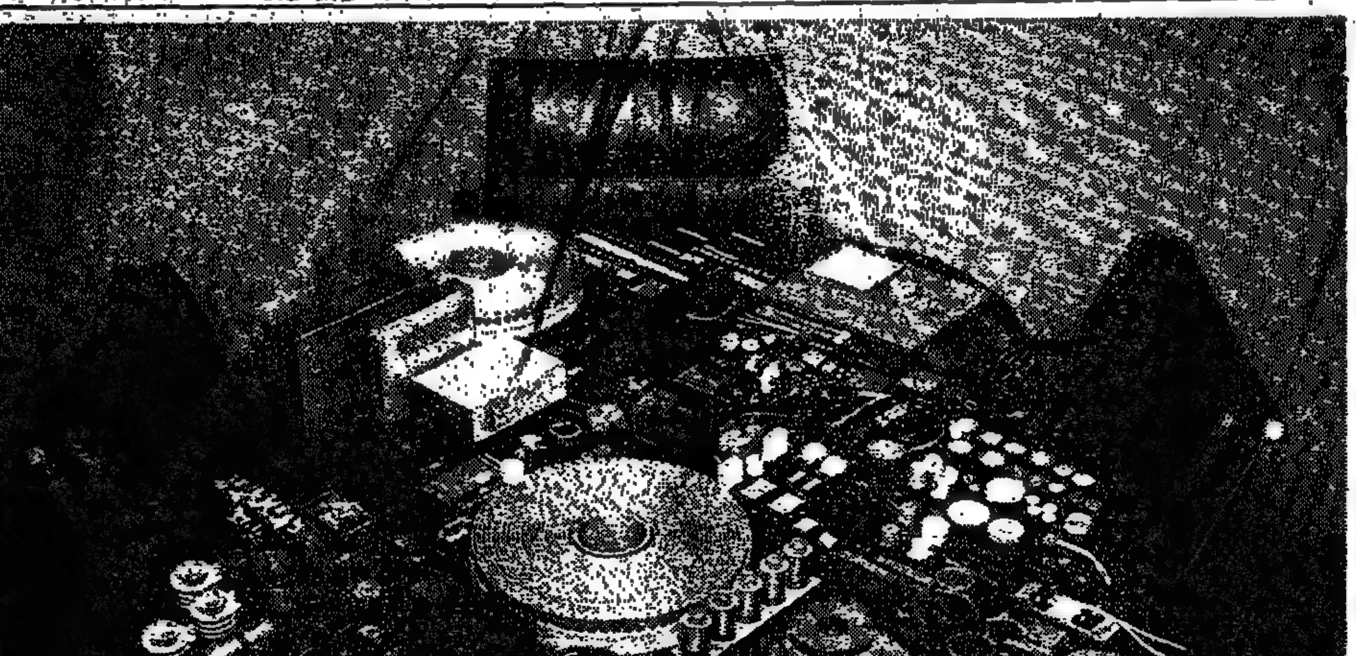
All rates quoted are for indication purposes only and are not based on, nor are they intended to be used as a basis for, particular transactions. In quoting the rates the Association does not undertake that its members will trade in all the listed Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility for errors in the table.

COMPILED FOR THE ASSOCIATION OF INTERNATIONAL BOND DEALERS BY INTERBOND SERVICES LTD. ★ *A subsidiary of data STREAM International*

Issued/ Est. out (Mn)	Year of issue/ Issue price	Borrower/ Coupon maturity	Price	Life/ Average life	Yield to maturity/ to avge life	Current yield	Yield to next call/ Next call price	Call next (Bid)/ Next call date	Next SF amount/ First SF date
		US DOLLARS–ALGERIA							
25	1977 100.00	BQUE EXT D'ALGERIE 9.00 15/ 8/1982	94 1/4	3.38	11.09	9.55	102	30 1979	7.00 SF1978
		US DOLLARS–AUSTRALIA							
30 7.5	1963 97.50	AUSTRALIA,COMMONWEALTH 5.00 1/ 4/1983 S	93 1/2	4.01 2.01	7.00 8.76	5.42	100 1/2	30 1979	.99 1965
25 2.1	1960 97.50	AUSTRALIA,COMMONWEALTH 5.25 15/ 4/1980 S	96 3/8	1.04 .25	9.17 11.67	5.52	100	30 1979	.67 1962
25 2.7	1960 98.00	AUSTRALIA,COMMONWEALTH 5.25 1/10/1980 S	95 5/8	1.51 .76	8.59 11.51	5.57	100	30 1979	.67 1962
25 .7	1959 97.00	AUSTRALIA,COMMONWEALTH 5.50 15/ 9/1979 S	98 3/8	.46	9.40	5.67	100	30 1979	.70 1961
25 3.4	1961 97.00	AUSTRALIA,COMMONWEALTH 5.50 1/ 7/1981 S	96 1/2	2.25 1.26	7.56 9.08	5.78	100	30 1979	.68 1963 XTLE
30 4.9	1962 98.25	AUSTRALIA,COMMONWEALTH 5.50 15/ 1/1982 S	95	2.80 1.55	7.92 9.50	5.82	100	30 1979	.81 1964
30 5.8	1962 97.50	AUSTRALIA,COMMONWEALTH 5.50 1/ 7/1982 S	93 5/8	3.25 1.76	7.90 9.75	5.96	100 3/4	30 1979	.83 1965
25 5.6	1962 99.00	AUSTRALIA,COMMONWEALTH 5.50 1/10/1982 S	93 5/8	3.51 1.76	7.75 9.77	5.96	101 1/4	30 1979	.69 1965
25 9.7	1965 98.50	AUSTRALIA,COMMONWEALTH 5.50 1/ 5/1985 S	92 7/8	6.09 3.09	7.08 8.32	6.01	102	30 1979	1.39 1968
25 9.7	1965 99.75	AUSTRALIA,COMMONWEALTH 5.75 1/11/1985 S	93 3/8	6.59 3.60	7.15 8.06	6.25	103	30 1979	1.39 1968
25 10.9	1967 97.50	AUSTRALIA,COMMONWEALTH 6.50 15/ 6/1985	97 1/4	3.21 2.15	7.25 7.92	6.68	101	30 1979	1.56 1970
100	1977 100.00	AUSTRALIA,COMMONWEALTH 7.50 1/ 9/1984	91 3/4	5.42	9.63	8.22	101 1/2	90C 1981	
350	1978 100.00	AUSTRALIA,COMMONWEALTH 8.00 1/ 6/1983	95 7/8	3.01	9.65	8.34			
125	1976 99.88	AUSTRALIA,COMMONWEALTH 8.125 15/11/1983 S	94 3/4	4.63	9.78	8.76	10.12 100	30 1982	
75	1976 100.00	AUSTRALIA,COMMONWEALTH 8.25 1/ 6/1981 S	97 1/4	2.17	9.91	8.66			
120	1976 100.00	AUSTRALIA,COMMONWEALTH 8.25 1/10/1983	95 3/8	4.51	9.51	8.65	101 1/2	90C 1980	
125	1977 100.00	AUSTRALIA,COMMONWEALTH 8.25 1/12/1984 S	94 3/4	5.67	9.69	8.90	9.90 100	30 1983	
150 150.0	1977 100.00	AUSTRALIA,COMMONWEALTH 8.25 1/ 9/1992	90 3/8	13.42 9.37	9.56 9.84	9.13	9.86 101 1/2	90C 1985	7.50 1983

US DOLLARS–JAPAN (CONTINUED) · US DOLLARS–MEXICO (CONTINUED) · US DOLLARS–NETHERLANDS · US DOLLARS–NEW ZEALAND · US DOLLARS–NORWAY · US DOLLARS–KOREA · US DOLLARS–LUXEMBOURG · US DOLLARS–MEXICO · US DOLLARS–NORWAY (CONTINUED) · US DOLLARS–PANAMA · US DOLLARS–PAPUA N.G. · US DOLLARS–PHILIPPINES · US DOLLARS–PORTUGAL · US DOLLARS–SINGAPORE · US DOLLARS–SOUTH AFRICA · US DOLLARS–SPAIN · US DOLLARS–SWEDEN

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]



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1978 was another record year for TDK. Net sales advanced 20.6 percent to $637.4 million, and net earnings rose 11.4 percent to $62.5 million. Earnings per share grew from $.56 in 1977 to $.60 in 1978. Growth was broad based, with higher sales in all product categories.

Sales of ferrite cores and magnets rose 5.6 percent on the strength of demand for heads and other VTR components, communications equipment and power supplies.

Coil components and memory devices advanced 14.9 percent as we successfully developed new applications in the VTR market and for watches and cameras.

Ceramic capacitors had a strong year, with sales increasing

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TDK

TDK ELECTRONICS CO., LTD.
13-1, Nihonbashi 1-chome, Chuo-ku, Tokyo 103, Japan

Austrian Quotes
Quotations and Yields of Austrian Eurobonds

ISSUE	COUPON DATES	REPAYMENT	SINKING FUND (STARTING)	PRICE BID	PRICE ASKED	CURRENT YIELD	CURRENT YIELD TO MATURITY
D-MARK BONDS							
6¾% Brenner Autobahn 1968 (G)	1.2-1.8	1.8.74-83	1.8.73	101½	102½	6.62%	6.31%
6% Donaukraftwerke 1959 (G)	1.2-1.8	1.2.65-84	—	100	100¾	5.98%	6.01%
6¾% Donaukraftwerke 1973 (G)	1.8	1.3.73-87	1.12.77	100½	101	6.71%	6.65%
7% Girozentrale Wien 1976	1.11	1.11.81	—	102½	102¾	6.83%	5.94%
7¼% Girozentrale Wien 1976	1.11	1.11.83	—	104	104½	6.95%	6.14%
8¾% IAKW 1975 (G)	1.5	1.5.80-85	—	104½	105½	8.32%	7.88%
6¾% Kelag 1973 (S)	1.5	1.5.79-88	1.2.78	101	101½	6.67%	6.56%
8¾% Oester. Draukraftwerke 1975 (G)	1.3	1.3.81-85	—	105¾	106½	8.25%	7.48%
7% Oester. Elektrizateswirt 1967 (G)	1.2-1.8	1.2.73-87	—	101½	101¾	6.91%	6.87%
7% Rep. Oesterreich 1968	1.4-1.10	1.4.73-82	1.4.72	102	102½	6.85%	6.27%
6½% Rep. Oesterreich 1969	1.4-1.10	1.4.75-83	1.1.74	101½	101¾	6.40%	6.17%
9% Rep. Oesterreich 1975	1.2	1.2.83	—	106½	107	8.43%	6.96%
8½% Rep. Oesterreich 1975	1.5	1.5.78-87	1.2.77	105½	106	8.05%	7.60%
7¾% Rep. Oesterreich 1976	2.5	2.5.83-86	1.2.82	104	105	7.42%	6.93%
6¾% Rep. Oesterreich 1977	1.4	1.4.83-85	2.1.82	102½	103	6.58%	6.22%
6½% Tauernkraftwerke 1968 (G)	1.3-1.9	1.9.74-83	1.9.73	101½	101¾	6.40%	6.21%
7% Tauernkraftwerke 1968 (G)	1.2-1.8	1.2.74-83	—	101¾	102½	6.86%	6.50%
9½% Tauernautobahn 1974 (G)	1.7	1.7.81	—	108	109	8.76%	5.44%
8½% Voest 1973	1.10	1.10.79-88	1.6.78	104½	105	8.12%	7.80%
8½% Voest 1975	1.6	1.6.81-85	—	105½	106½	8.04%	7.32%
6¾% Voest 1977	1.6	1.6.84-89	—	100½	100¾	6.72%	6.68%
7% Wien 1968	1.6-1.12	1.6.74-83	1.6.73	101½	102	6.88%	6.61%
8¼% Wien 1975	1.8	1.8.79-84	—	103¾	104½	7.94%	7.36%
U.S.$ BONDS							
6% Rep. Austria 1964	31.1-31.7	31.1.71-84	3.1.70	97¾	98½	6.12%	6.59%
6¾% Rep. Austria 1967	15.3-15.9	15.3.72-82	15.3.71	97¾	98½	6.89%	7.61%
8¾% Rep. Austria 1976	15.8	15.8.78-90	15.8.77	96½	97	9.04%	9.21%
6¼% Aust. Electricity 1966 (G)	1.1-1.7	1.7.70-86	1.7.69	98	98¾	6.33%	7.01%
6¾% Aust. Electricity 1967 (G)	1.4-1.10	1.10.71-82	1.10.70	98	98¾	6.86%	7.38%
5¾% Alpine Montan 1965 (G)	15.6	15.6.72-85	15.6.71	93½	93¾	6.16%	7.10%
8¼% Tauernautobahn 1977 (G)	15.3	15.3.83-87	15.3.82	93¾	94¾	8.79%	[illegible]
6½% Transalpine Fin. Hldg. 1966	31.10	31.10.70-85	31.10.69	93	94	6.95%	7.78%
6¾% Transalpine Fin. Hldg. 1966	31.7	31.7.70-85	13.7.69	94½	95½	7.12%	7.81%
6¾% Transalpine Fin. Hldg. 1967	31.1	31.1.73-82	31.1.72	97¾	98½	6.89%	7.53%
6¾% Transalpine Fin. Hldg. 1967	30.4	30.4.74-83	30.4.73	96¾	97¾	6.94%	7.54%
7½% Trans-Austria Gasline 1973	15.1	15.1.77-88	15.1.76	85½	86½	8.70%	10.06%
AUSTRIA SCHILLING BONDS							
9½% Kontrollbank 1974 (G)	14.8	14.8.79	—	100½	101½	9.43%	7.39%
DOMESTIC ISSUES							
8% Investitionsanleihe 1973/B	15.2	15.2.77-81 (101)	—	101¾	102½	7.84%	7.31%
8% Investitionsanleihe 1973/II/B	3.7	3.7.76-81 (102)	—	101¾	102¾	7.84%	7.82%
8% Investitionsanleihe 1974/B	1.4	1.4.76-82 (104.50)	R	104¾	105½	7.67%	7.75%
8½% Investitionsanleihe 1974/II/B	22.10	22.10.75-82	—	101⅝	102⅝	8.35%	7.89%
8½% Investitionsanleihe 1975/II/B	11.6	11.6.76-84 (103)	—	103½	104	8.21%	8.12%
8½% Investitionsanleihe 1975/S/II	25.7	25.7.76-85 (103)	—	104½	105	8.11%	7.89%
8½% Investitionsanleihe 1975/III/B	28.10	28.10.76-84 (103)	—	103½	104½	8.19%	8.07%
8½% Investitionsanleihe 1975/S/III/IV	27.12	27.12.79-85 (103.50)	—	105½	106	8.08%	7.86%
8½% Investitionsanleihe 1975/V/B	12.12	12.12.79-85 (103.50)	—	105½	106	8.06%	7.82%
8½% Investitionsanleihe 1976/S	20.2	20.2.81-86 (104)	—	105	106	8.10%	7.98%
8% Investitionsanleihe 1977/S/III/B	2.6	2.6.82-87	—	101¾	102¾	7.84%	7.63%
8% Investitionsanleihe 1977/II/B	15.9	15.9.82-86	—	101¾	102¾	7.84%	7.62%
8% Investitionsanleihe 1977/III/B	20.12	20.12.82-86	—	101¾	102¾	7.84%	7.64%
8% Wasserwirtschaftsfondsanl 1977/III	3.6	3.6.82-86	—	101½	102¾	7.90%	7.76%
8½% Energieanleihe 1975/IIB U.S.	29.10	29.10.79-85 (103.50)	—	105½	106	8.06%	7.81%
8½% Wiener Stadtanleihe 1975/B	29.4	29.4.76-83	—	101½	102⅝	8.29%	7.75%
8% Wiener Stadtanleihe 1977/A	10.5	10.5.78-92	—	101¾	102¾	7.84%	7.75%
8% Wiener Stadtanleihe 1977/B	10.5	10.5.78-92	—	101¾	102¾	7.82%	7.81%
8% Europ. Investitionsbank Anl. 1976	20.10	20.10.80-86	—	101½	102½	7.86%	7.67%
8% Inter-Am. Entwicklungsbk. Anl. 1976	17.12	17.12.81-86	—	101½	102½	7.86%	7.67%
8% Tag Finco Anleihe 1976	19.11	19.11.81-86	—	101½	102	7.86%	7.67%
8% Sparkassenanleihe 1975/II/B	21.10	21.10.77-83 (101)	—	102¾	103½	8.25%	7.86%
8% Sparkassenanleihe 1977/S/B	26.7	26.7.80-83	—	101½	102½	7.86%	7.49%

(R) Purchase for redemption purposes by issuer possible. The bonds so purchased may be used for repayment according to plan. (...) Repayment at a premium. (G) Government Guarantee. (S) Local Government Guarantee. Yield calculations are based on the middle price.

Market Maker in Austrian Eurobonds

On international capital markets Austria ranks as Triple A. Shrewd investors prize Austrian securities as safe and attractive investments.

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US DOLLARS—SWEDEN (CONTINUED)

Issued/ Est. O/S ($m)	Year of issue/ Issue price	Borrower/ Coupon Maturity	Price	Life/ Average life	Yield to maturity/ to average life	Current yield	Yield to next call/ Next call price	Call nos. (days)/ Next call date	Next S/F amount (mn)/ First S/F date
40 37.0	1976 100.00	SKANDINAVISKA ENSKILDA 9.00 1/12/1991	94 5/8	11.67 8.09	9.74 9.99	9.51	102	30 1982	1.50 1977
30 28.5	1977 100.50	SKF 8.00 15/ 1/1987	91 7/8	7.80 5.76	9.51 9.91	8.71	102	30 1982	1.08 DP1978
20 20.0	1976 99.50	SODRA SKOGSAGARNA 9.50 15/12/1986	86 3/8	7.71 5.31	12.26 13.14	10.97	101 1/2	45 1981	3.00 1981
20 20.0	1976 99.50	SPARBANKERNAS BANK 8.75 1/ 9/1983	96 5/8	4.42 2.52	9.70 10.30	9.06	10.74 101	90 1981	3.50 1979
30 27.5	1977 100.00	SPARBANKERNAS BANK 8.75 15/ 1/1988	94 3/4	8.80 4.87	9.65 10.16	9.23	10.71 101	90C 1983	3.00 1979
40	1977 100.50	STATSFORETAG 7.75 1/ 2/1982	95 1/8	2.84	9.78	8.15			
39	1975 99.00	STATSFORETAG 9.25 15/ 9/1980	98 3/4	1.46	10.13	9.37	00	1979	
50 50.0	1977 100.00	STOCKHOLM,CITY OF 8.875 15/ 2/1992 S	94	12.88 8.38	9.93 10.19	9.66	10.83 102.05	30 1987	5.00 DP1983
60 60.0	1979* 99.00	STOCKHOLM,CITY OF 9.75 15/ 3/1994 S	99 7/8	14.96 10.46	10.00 10.01	10.00	10.31 103.37	30 1987	6.00 DP1985
30 27.5	1976 [illegible]	SVENSKA HANDELSBANKEN 9.25 1/ 3/1986	98 7/8	6.92 5.07	9.47 9.54	9.36	10.40 101	90C 1981	1.00 1977
25 [illegible]	1976 100.00	SWEDISH EXPORT CREDIT P 7.875 15/10/1983 S	96 1/4	4.55 2.27	9.09 10.00	8.35	101	30C 1980	1.80 1977
25 14.5	1975 [illegible]	SWEDISH EXPORT CREDIT 9.00 15/ 4/1982	99 5/8	3.04 1.60	9.14 9.31	9.03	100 1/2	30 1979	3.50 1976
15 12.0	1973 100.00	SWEDISH INVESTMENT BANK 7.50 15/ 1/1988	89	8.80 5.51	9.38 10.21	8.43	101	45C 1981	.50 1974
15 12.0	1972 99.00	SWEDISH INVESTMENT BANK 7.75 1/11/1987	97 1/2	8.59 5.30	8.15 8.34	7.95	101	45C 1980	.50 1973
15 15.0	1976 100.00	SYDKRAFT 9.25 15/ 9/1986	96 1/8	7.46 5.26	9.99 10.22	9.62	101 1/2	60 1981	2.00 1981
30 23.1	1976 100.00	UDDEVALLAVARVET P 7.75 1/12/1983 S	95 3/4	4.67 2.43	9.07 10.00	8.26	101	30C 1980	2.30 1977
23 23.0	1977 100.00	UDDEVALLAVARVET P 7.75 15/ 9/1984	91 1/8	5.46 4.38	9.65 10.04	8.41	102	30 1981	2.50 1980
25 22.6	1972 100.50	VOLVO 8.00 1/ 9/1987	91	8.42 5.58	9.59 10.79	8.79	101 1/2	60 1980	1.20 DP1977
35	1977 100.00	VOLVO 8.00 1/ 3/1987	91 1/8	7.92	9.65	8.78	101 1/2	60 1982	1.75 PF1978
25	1975 99.50	VOLVO 9.50 1/ 3/1985	98 1/2	5.92	9.84	9.64	101 1/2	60 1980	1.25 PF1976

US DOLLARS—SWITZERLAND

Issued/ Est. O/S ($m)	Year of issue/ Issue price	Borrower/ Coupon Maturity	Price	Life/ Average life	Yield to maturity/ to average life	Current yield	Yield to next call/ Next call price	Call nos. (days)/ Next call date	Next S/F amount (mn)/ First S/F date
35 17.5	1971 100.00	ALUSUISSE INT SW 7.00 1/ 7/1981	97 3/4	2.25 1.25	8.11 8.93	7.16	101	1979	5.83 1976
75	1977 100.00	FIAT FIN CORP 8.00 1/ 8/1982	93 3/8	3.34	10.32	8.54	100 1/2	30C 1981	
35 31.5	1972 98.50	SWISS ALUMINIUM AUST LTD 8.00 1/ 7/1987	95 1/2	8.25 4.25	8.76 9.31	[illegible]	102	30 1981	3.50 197

US DOLLARS—VENEZUELA

Issued/ Est. O/S ($m)	Year of issue/ Issue price	Borrower/ Coupon Maturity	Price	Life/ Average life	Yield to maturity/ to average life	Current yield	Yield to next call/ Next call price	Call nos. (days)/ Next call date	Next S/F amount (mn)/ First S/F date
[illegible] 3.0	1965 99.00	VENEZUELA,REPUBLIC OF 6.25 15/ 4/1980 S	95	1.04 .67	11.80 14.95	[illegible]	100	30 1979	.50 DP1966
100	1977 99.89	VENEZUELA,REPUBLIC OF 7.875 15/ 6/1982 S	94 3/8	3.21	10.21	8.52			
100	1977 99.50	VENEZUELA,REPUBLIC OF 8.00 15/ 2/1984	92 3/4	4.88	9.94	[illegible]	101	30 1981	
100	1977 99.75	VENEZUELA,REPUBLIC OF 8.125 15/10/1984 S	92 5/8	5.55	10.13	8.96	10.45 100	[illegible] 1983	
50 50.0	1977 99.50	VENEZUELA,REPUBLIC OF 9.75 15/10/1992 S	93 1/4	13.55 9.05	10.03 10.33	9.71	10.54 101.91	30 1987	5.00 DP1983
15 11.2	1972 100.00	VENEZUELA TEL 8.25 15/12/1987 S	93	8.71 5.66	9.67 10.14	9.07	101	30 1980	.35 DP1973

US DOLLARS—UTD KINGDOM

Issued/ Est. O/S ($m)	Year of issue/ Issue price	Borrower/ Coupon Maturity	Price	Life/ Average life	Yield to maturity/ to average life	Current yield	Yield to next call/ Next call price	Call nos. (days)/ Next call date	Next S/F amount (mn)/ First S/F date
200	1978* 100.00	UNITED KINGDOM 8.50 1/ 3/1985 S	95 7/8	6.09	9.62	[illegible]	9.77 100	30 1984	
150 150.0	1978* 99.00	UNITED KINGDOM 8.875 1/ 3/1993 S	95 3/8	14.09 10.08	9.70 9.83	[illegible]	10.02 101.82	30 1988	16.70 DP1985
30 30.0	1973 100.00	AIRLEASE INT FIN 8.75 1/10/1988	95 1/4	9.51 5.01	9.52 9.99	9.19	101	60 1980	3.00 DP1979
20 16.0	1971 100.00	AIRLEASE INT FIN 9.00 1/ 8/1986	98	7.34 3.84	9.37 9.64	9.18	102	60 1981	2.00 DP1975
60 [illegible]	1977 100.50	ASHLAND OIL (GB) 7.50 1/ 5/1982	96	3.09 1.59	9.05 10.40	7.81	102	30 1979	15.00 1979
20 15.0	1972 99.50	B.I.C.C. FIN 7.75 1/ 2/1987	90 3/4	7.84 4.80	9.47 10.38	8.54	101	60C 1982	1.35 DP1975
30 24.0	1971 100.00	BARCLAYS BANK INT 8.25 1/12/1986	95 7/8	7.67 4.17	9.00 9.49	8.60	102	60 1979	3.00 DP1977
50 50.0	1976 100.00	BARCLAYS BANK INT P 9.125 1/ 4/1985	97	6.01 5.01	9.81 9.91	9.41			16.00 1983
25 25.0	1976 100.00	BARCLAYS BANK INT 9.125 15/ 4/1987	97	8.04 7.04	9.68 9.73	9.41			[illegible] 1985
50	1975 100.00	BARCLAYS BANK INT 9.25 1/ 7/1982	99 1/8	3.25	9.55	9.33	101	60 1980	2.00 PF1977
100	1977 100.00	BARCLAYS O'SEAS INVEST 8.50 15/ 9/1992	91	13.46	9.71	9.34	101 1/4	45 1984	4.00 PF1978
2	1967 100.00	BEECHAM INT 6.25 31/ 7/1981 S	89 7/8	2.34	11.42	7.08	101 1/2	30 1979	
45 31.0	1971 100.00	BEECHAM INT 8.25 1/ 2/1986	93 7/8	6.84 4.80	9.50 9.91	8.79	100	60 1981	2.50 1974
50 50.0	1977 100.00	BOWATER CORP 9.25 15/ 5/1992	93 3/4	13.13 [illegible]	10.12 [illegible]	9.87	10.87 101 1/2	60 1985	2.00 DP1981
30	1976 100.00	BOWATER CORP 9.75 15/ 7/1986	98 7/8	7.29	9.96	9.86	10.54 101 1/2	60 1982	1.25 DP1977
34	1974 100.00	BRISTOL,CITY & COUNTY OF 8.875 1/ 3/1980 S	98 1/2	.92	10.89	9.21			
60	1976 100.00	BRITISH GAS 9.00 1/ 2/1981	98 3/4	1.84	9.74	9.11			
16 14.4	1972 99.00	BRITISH LAND 8.00 1/11/1987	85 3/8	8.59 4.5	10.67 12.33	9.37	103	90 1980	1.80 1976
65 65.0	1977 100.00	BRITISH SHIPBUILDERS 9.00 1/11/1992	89	13.59 11.13	10.54 10.73	10.11	102	45 1982	10.00 1987
50 47.5	1974 99.00	BRITISH STEEL CORP 8.625 15/ 1/1989	95	9.80 6.27	9.42 9.73	9.08	102	45C 1981	2.50 DP1979
30 29.0	1972 100.00	CADBURY SCHWEPPES O/S 7.75 15/10/1990	87 1/8	11.55 7.68	9.63 10.22	8.90	102	60 1980	1.00 DP1978
25 [illegible]	1973 98.50	CAPITAL & COUNTIES PROP 9.00 1/11/1984	91	5.59 5.09	10.52 11.42	9.89	102	60 1981	2.50 DP1979

US DOLLARS—UTD KINGDOM (CONTINUED)

US DOLLARS—UNITED STATES

US DOLLARS—UNITED STATES (CONTINUED)

US DOLLARS—MULTINATIONAL

US DOLLARS—SUPRANATIONAL

US DOLLARS—SUPRANATIONAL (CONTINUED)

US DOLLARS—FLOATING RATE

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US DOLLARS—FLOATING RATE (CONTINUED)

Issued amt (\$m)	Year of issue / Issue price	Borrower coupon/maturity	Price	Life / Average life	Yield to maturity / average life	Current yield	Yield to next call / next call price	Call price / next call date	Next SF amount / first SF date
30	1976 100.00	BANK HANDLOWY 8.25:1-1/4 13.125 10/ 6/1981 S	100	2.20		11.13	100	45C 1979	
30 30.0	1978* 100.00	BANK HANDLOWY 18:1-1/8 12.938 15/ 5/1988 S	98 1/8	9.15 7.15		13.18	101	60C 1981	6.00 1984
40	1975 100.00	BANK OF TOKYO 8:1/4 11.938 19/11/1980 S	100 3/8	1.64		11.89	100	30C 1979	
35	1976 100.00	BANK OF TOKYO 6.75:1/4 10.625 20/10/1981 S	100	2.56		10.63	100	30C 1979	
40	1977 100.00	BANK OF TOKYO 6.5:1/4 12.313 15/11/1984 S	100 1/4	5.63		12.28	100	30C 1981	
30	1978* 100.00	BANK OF TOKYO 5.5:1/4 10.50 18/10/1983 S	97 3/4	14.35		10.74	100	30C 1983	
30	1978* 100.00	BANQUE WORMS 5.75:1/4 12.00 15/ 6/1983 S	98 3/4	6.21		12.15	100	30C 1981	
30	1976 100.00	B.U.E. :1/2 11.625 20/ 4/1981 S	99 3/4	2.38		11.65	100	15C 1979	
35	1979* 100.00	BQUE EXT D'ALG 8.375:3/4 11.875 9/ 8/1984 S	96 7/8	5.36		12.26	100	30C 1981	2.00 PR1979
40	1978* 100.00	BQUE EXT D'ALGER 7.5:5/8 12.75 2/11/1985 S	95 3/4	6.59		13.32	100	30C 1980	
30	1977 100.00	BQUE NAT D'ALGE 7.75:3/4 10.688 15/10/1982 S	97 1/2	3.55		10.96	100	40C 1980	
30	1976 100.00	BAYER VEREINS 1/4 12.375 1/ 6/1981 S	100 1/8	2.17		12.36	100	60 1979	
75	1975 100.00	B.N.P. 7:1/4 11.563 2/ 3/1983 S	100	3.92		11.56	100	1979	
30	1975 100.00	B.N.P. 7.5:1/4 9.625 18/ 9/1981 S	100	2.47		9.63	100	1979	

[illegible]

CANADIAN DOLLARS (CONTINUED)

[illegible]

AUSTRALIAN DOLLARS

[illegible]

AUSTRIAN SCHILLINGS

[illegible]

BELGIAN FRANCS

[illegible]

CANADIAN DOLLARS

[illegible]

EUROGUILDERS

[illegible]

EUROGUILDERS (CONTINUED)

[illegible]

EURO CURRENCY UNITS

[illegible]

EURO CURRENCY UNITS (CONTINUED)

[illegible]

EURO UNITS OF ACCOUNT

[illegible]

WestLB QUOTATIONS AND YIELDS

"Life" and "Maturity" appear in years and decimals of years and are—in this context—calculated as follows:

—to final maturity in case of a lump-sum repayment
—to final maturity in case of a sinking fund issue, whenever the quoted price is below 100
—to average life in case of a sinking fund issue, whenever the quoted price is above 100
—to average life in case the bond issue provides for mandatory drawings by lot at par only

P Private Placement (the smallest denomination may be larger than the usual DM 1,000 of public issue)
G Government Guarantee

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Advertisement

WestLB Euro-Deutschmarkbond Quotations and Yields

30th MARCH, 1979

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment D—mandatory drawing by lot at par S—sinking fund
8% ADELA 76/83	103.60	7.72	4.00	6.94	1. 4.83
7¼% ADELA 77/82P	101.00	7.18	3.21	6.88	16. 6.82
7% ADELA 77/82P	100.50	6.97	3.33	6.81	1. 8.82
6% AEG 66/81	100.50	6.87	1.39	5.58	1. 2.72—81D
6½% Airport Paris 69/84P (G)	99.50	6.53	2.85	6.69	1. 3.75—84D
9% AKZO 75/82P	104.75	8.59	2.83	7.07	1. 2.82
7¾% AKZO 76/83P	103.00	7.52	4.17	6.89	1. 6.83
6% AKZO 78/84P	98.50	6.69	5.00	6.36	1. 4.84
7¼% Alusuisse Int'l. 75/83	104.35	[illegible]	3.31	5.72	1. 8.81—83D
5½% American Expr. Int'l. 79/87	94.75	5.80	7.79	6.37	15. 1.87
6¾% AMEX Int'l. 77/84P	99.50	6.78	5.00	6.87	1. 4.84
10% A.P.E.L. 74/81 (G)	104.00	9.62	1.64	7.28	1.12.77—81D
7¾% ARBED Finance 76/83P	101.50	7.64	4.58	7.34	1.11.83
6¾% ARBED Finance 77/87	99.00	6.82	8.17	6.91	1. 6.83—87S
8¾% Ardal-Sunndal 75/81P	104.25	8.39	2.25	6.63	1. 7.81
6¾% Ardal-Sunndal 77/89P	98.50	6.85	6.57	7.03	1. 7.82—89D
7% Argentine 67/79	100.35	6.98	0.67	6.37	1.12.79
8% Argentine 69/79	100.75	7.94	0.67	6.92	1.12.79
7½% Argentine 77/84	101.50	7.39	5.50	7.15	1.10.84
6½% Argentine 78/85	96.00	6.77	5.92	7.35	1. 3.85
6½% Argentine 78/88	93.75	6.93	7.51	7.61	1.11.84—88D
7% Asian Dev. Bk. 69/84	101.00	6.93	2.82	6.71	1. 9.75—84S
8½% Asian Dev. Bk. 75/80P	103.00	8.25	1.62	6.45	16.11.80
8% Asian Dev. Bk. 76/82	103.70	7.71	2.92	6.58	1. 3.82
7¾% Asian Dev. Bk. 76/83P	101.50	7.64	4.00	7.30	1. 4.83
7% Asian Dev. Bk. 77/85	101.50	6.90	6.00	6.89	1. 4.85
5½% Asian Dev. Bk. 78/88	90.50	6.08	9.08	6.94	1. 5.88
9½% ASKO 75/80P	102.50	9.27	1.00	6.83	1. 4.80
7½% Aumar 73/88 (G)	103.70	7.23	4.82	6.66	1. 2.79—88D
9% Aumar 76/84 (G)	104.50	8.61	2.77	7.12	15. 8.77—84S
7¾% Aumar 77/84 (G)	102.00	7.60	5.25	7.27	1. 7.84
6½% Australia 67/82	102.00	6.37	2.05	5.42	1.11.73—82S
6¾% Australia 68/83	102.50	6.59	2.28	5.64	1. 8.74—83S
6½% Australia 69/84	102.75	6.23	2.78	5.49	1. 2.75—84S
7¼% Australia 69/84	105.00	6.90	3.01	5.50	1.11.75—84S
7% Australia 72/87	102.25	6.85	4.37	6.38	1. 2.78—87S
10% Australia 74/80	106.50	9.39	1.50	5.33	1.10.80
9% Australia 75/82	108.60	8.29	2.83	5.62	1. 2.82
8¼% Australia 75/82 I P	106.00	7.78	3.00	6.01	1. 4.82
8¼% Australia 75/82 II P	106.00	7.78	3.08	6.05	1. 5.82
7¼% Australia 76/83	107.00	6.78	3.92	5.22	1. 3.83
5¼% Australia 77/82P	99.75	5.26	3.50	5.32	1.10.82
5¾% Australia 77/88	95.75	6.01	10.58	6.31	1.11.85—89S
6% Australia 78/88	98.75	6.08	9.42	6.17	1. 9.88
6¾% Aust. Ind. Dev. Corp. 72/87	100.50	6.72	4.37	5.60	1.11.78—87D
8% Austr. Ship. Com. 76/83P (G)	103.50	7.73	4.42	7.03	1. 9.83
7% Rep. of Austria 68/82	102.50	6.83	1.98	5.73	1. 4.73—82S
8½% Rep. of Austria 69/83	101.25	8.42	2.46	6.03	1. 4.75—83S
9½% Rep. of Austria 74/79P	100.75	9.43	0.25	6.16	1. 7.79
9¾% Rep. of Austria 74/80P	102.00	9.47	1.58	7.61	1.11.80
9¾% Rep. of Austria 74/81P	104.50	9.33	2.67	7.78	1.12.81
9½% Rep. of Austria 75/80P	102.50	9.27	0.83	6.28	1. 2.80
8¼% Rep. of Austria 75/81P	104.50	7.89	2.17	5.96	1. 6.81
8¾% Rep. of Austria 75/82P	102.75	8.52	1.98	7.21	1. 4.79—82D
9% Rep. of Austria 75/83	106.75	8.43	3.83	6.92	1. 2.83
8¾% Rep. of Austria 75/83P	103.00	8.50	2.46	7.37	1. 4.79—83D
8½% Rep. of Austria 75/87	105.25	8.08	4.60	7.11	1. 5.78—87S
7¾% Rep. of Austria 76/86	104.75	7.40	5.55	6.69	2. 5.83—86S
6¾% Rep. of Austria 77/85	102.50	6.59	5.11	6.17	1. 4.83—85S
7% Rep. of Austria 77/87P	101.00	6.93	5.69	6.77	1. 1.83—87D
6¾% Rep. of Austria 77/87P	100.50	6.72	5.77	6.64	1. 2.83—87D
6% Rep. of Austria 77/87P	96.50	6.22	6.87	6.80	1. 9.84—87D
5¾% Rep. of Austria 78/88P	94.75	6.07	7.22	6.68	15. 7.84—88D
5¾% Rep. of Austria 78/90	92.15	6.24	11.58	6.74	1.11.85—90S
6¼% Rep. of Austria 79/89P	97.00	6.44	7.24	6.78	1. 2.84—89D
7% Autopistas Catalun 78/85P	99.50	7.04	6.79	7.10	16. 1.85
7¼% Autopistas Espan. 69/84 (G)	101.00	7.18	2.65	6.94	1. 7.73—84S
8% Autopistas Espan. 71/86 (G)	103.25	7.75	[illegible]	7.14	1.10.77—86D
6¾% Autopistas Espan. 72/87 (G)	97.60	6.92	4.26	7.41	1.10.78—87D
7¼% Autopistas Espanola 79/85P (G)	99.50	7.29	5.92	7.35	1. 3.85
7¼% Banco N. Desarrollo 79/86 (G)	98.00	7.40	6.92	7.53	1. 3.86
8% Banco N. Obras 71/86 (G)	103.15	7.78	3.90	7.18	1.11.77—86S
9% Banco N. Obras 76/81 (G)	105.75	8.51	2.42	6.33	1. 9.81
7¼% Banco N. Obras 77/82P (G)	101.00	7.18	3.37	6.89	16. 8.82
7% Banco N. Obras 77/82P (G)	100.50	6.97	3.54	6.82	16.10.82
7% Banco N. Obras 77/84 (G)	100.50	6.97	5.50	6.87	1.10.84
5¾% Bk. Amerika Overs. Fin. 78/90	95.25	6.04	11.58	6.34	1.11.90
6% Bank of Tokyo 79/86P	97.50	6.15	6.83	6.46	1. 2.86
7½% Banque Ext. Algerie 77/83	100.05	7.50	4.54	7.47	16.10.81—83D
7¼% Banque Ext. Algerie 78/85	97.00	7.47	5.56	7.52	1.11.83—85D
7¼% Banque Nat. Algerie 78/83	99.50	7.29	3.92	7.40	1. 3.83
8% Barlow Rand Inv. 78/82 I P	100.00	8.00	3.37	7.97	15. 8.82
8% Barlow Rand Inv. 78/82 II P	100.00	8.00	3.48	7.97	15. 9.82
6% BASF 65/80	100.60	5.96	0.99	5.32	1.10.71—80D
7½% BEC Finance 76/83P	100.50	7.46	4.58	7.35	1.11.83
8% Beecham Fin. 76/83	104.50	7.68	4.58	6.81	1.11.83
10% Bergen 74/79	102.75	9.73	0.87	6.59	1.12.79
8¾% Bergen 75/85	106.00	8.25	4.02	6.98	1. 5.81—85D
7¼% Bergen 77/89	102.50	7.07	5.62	6.69	1. 2.81—89D
	105.75	7.50	5.33	6.31	1. 7.81—83S
8¼% BFCE 76/84 (G)	106.00	7.78	4.23	6.57	1. 7.82—84S
7% BFCE 77/87 (G)	102.00	6.86	6.77	6.67	1. 2.83—87S
5¾% BFCE 78/88 (G)	94.50	6.08	8.79	6.59	15. 1.86—88S
8½% BNDE 77/87	103.50	8.21	5.39	7.68	1. 4.83(82-87)
6¾% BNDE 78/86	96.15	7.02	6.92	7.48	1. 3.88
9% Borregaard 76/81P	104.00	8.65	2.08	6.88	1. 5.81
8½% Borregaard 77/84P	100.00	8.50	5.50	6.49	1.10.84
8½% Brascan Int'l. 73/88	104.90	8.10	5.17	7.31	1.10.78—88S
6¾% Brazil 72/87	97.70	6.91	8.50	7.11	1.10.76—87S
8¾% Brazil 76/86	104.00	8.41	4.57	7.65	1.10.82(80-86)
7¾% Brazil 77/84	102.75	7.64	5.08	7.08	1. 5.84
6¾% Brazil 78/85	98.70	6.84	6.83	7.02	1. 2.85
7¼% Brazil 79/87	100.00	7.25	7.75	7.24	1. 1.87
6¾% Brenner 68/83 (G)	104.00	6.49	2.29	4.93	1. 8.74—83S
5½% British Petrol 65/80	101.00	5.45	1.17	4.58	1. 6.71—80D
5¾% Bruxelles-Lambert 77/84P	97.50	5.90	5.71	6.38	15.12.84
6½% Burmah Oil 70/85	103.80	6.19	3.44	7.36	1.11.78—85D
4¾% Canada 76/83	96.60	4.87	4.14	5.98	20. 5.83
5% Canada 78/84	96.00	5.21	5.11	6.03	10. 5.84
6% Carlsberg-Tuborg 77/87P	98.50	6.09	8.67	6.22	1.12.85—87D
8½% C.C.C.E. 75/85 (G)	106.25	8.00	3.94	6.59	1. 4.81—85D
8½% C.C.C.E. 76/88 (G)	106.50	7.98	5.71	7.06	1. 7.83—88D
7% C.C.C.E. 77/89 (G)	101.00	6.93	6.15	6.80	1. 4.81—88D
5½% C E C A 64/79	100.00	5.60	0.17	5.62	1. 6.79
5½% C E C A 65/83	98.40	5.53	2.45	5.77	1. 4.71—83D
7½% C E C A 71/86	102.25	7.33	3.95	6.83	1. 5.77—86D
6½% C E C A 72/87	99.85	6.51	4.58	6.53	1. 7.78—87D
7% C E C A 72/88	101.25	6.91	4.54	6.68	2. 1.79—88D
6½% C E C A 73/88	98.75	6.62	4.79	6.56	1. 4.79—88D
7¾% C E C A 73/88	109.50	7.08	4.88	5.46	1.11.78—88D
10% C E C A 74/79 I P	100.25	9.98	0.33	8.90	1. 8.79
10% C E C A 74/79 II P	100.50	9.95	0.42	8.48	1. 9.79
10% C E C A 74/81P	108.00	9.26	2.42	6.29	1. 9.81
9¾% C E C A 74/81	108.25	9.01	2.67	6.27	1.12.81
8% C E C A 75/80P	102.00	7.84	1.67	6.66	1.12.80
8½% C E C A 75/82P	103.00	8.25	2.92	7.31	1. 3.82
8% C E C A 75/82	107.00	7.48	3.71	5.83	15.12.82
8½% C E C A 75/85	104.00	8.17	3.40	7.13	1. 4.78—85D
8% C E C A 76/81P	102.50	7.80	2.71	6.93	15.12.81
7¾% C E C A 76/83	107.10	7.24	4.60	5.88	1.10.83
7¾% C E C A 76/86	104.50	7.42	5.44	6.72	1.10.82—86D
6% C E C A 76/88	96.05	6.25	9.58	6.56	1.11.88
6¾% C E C A 78/90	98.75	6.92	8.81	7.00	1. 4.85—90D
6% C E C A 78/90P	96.00	6.25	7.66	6.69	1. 8.83—90D
7¾% C.E.D. South Africa 78/82P (G)	99.00	7.83	3.30	8.09	20. 7.82
6½% CERGA 73/81P	99.75	6.52	2.00	6.64	1. 4.81
7% CESP 77/87 (G)	99.60	7.03	8.58	7.05	1.11.83(82-87)
6½% Charter Cons. Overs. 68/83	99.75	6.52	4.60	6.87	1.10.72—83S
6% Chase Manhattan Ov. 78/93	98.37	6.10	14.42	6.17	1. 9.84—93S
7% Chrysler 69/84	100.90	6.94	2.66	6.73	1. 7.76—84S
6¾% CIBA-GEIGY ex. w. 75/86P	105.00	6.43	6.50	5.60	1.10.85
6½% C.N. Autoroutes 69/84 (G)	101.90	6.38	2.88	5.76	1. 3.78—84D
9½% C.N. Autoroutes 75/82 (G)	105.25	9.03	2.79	7.33	16. 1.82
6½% C.N. Energie 69/84P (G)	100.00	6.50	2.77	5.49	1. 2.75—84D
6½% C.N. Telecom. 68/83 (G)	102.00	6.37	2.53	5.61	1.11.74—83S
8½% C.N. Telecom. 70/85 (G)	105.75	8.04	3.37	6.66	1.10.78—85S
7¼% C.N. Telecom. 76/83 (G)	102.75	7.06	4.04	6.45	16. [illegible]
6¼% C.N. Telecom. 79/87 (G)	98.50	6.35	7.92	6.50	1. 3.87
7¾% Comalco 71/86	102.50	7.56	3.66	7.08	1. 6.77—86S
9¼% Comalco 75/82P	102.00	9.07	0.17	6.83	1. 6.82
7% Com. Fed. Electr. 77/82P	100.00	7.00	3.42	6.98	1. 9.82
8% Com. Fed. Electr. 77/84	104.25	7.67	5.17	6.98	1. 6.84
7¼% Com. Fed. Electr. 77/85	100.80	7.19	6.04	7.04	1.11.82—85D
6¾% Com. Fed. Electr. 78/88	98.00	6.89	6.93	7.13	1. 4.84—88D
5% Commerzbank Int'l. 79/84P	97.50	5.13	4.75	5.61	1. 1.84
4½% Comp. F. Deutsche Bk. 78/83P	96.00	4.66	4.08	5.49	1. 5.83
5% Comp. F. Deutsche Bk. 78/84P	97.50	5.13	4.75	5.61	1. 1.84
8½% Comp. Franc. Petr. 75/85	104.60	8.13	3.71	7.04	1. 5.80—86S
8½% Comp. Franc. Petr. 77/84	101.50	8.40	5.25	6.15	1. 7.84
8½% Consorzio 70/91 (G)	104.75	8.11	5.83	7.62	1. 1.77—91D
5¼% Copenhagen 64/84	89.05	5.81	5.71	5.94	16.12.70—84D
7% Copenhagen 68/83	101.00	6.93	2.65	6.70	2. 5.72—83S
6¾% Copenhagen 69/84	100.75	6.70	3.10	6.58	1. 6.75—84S
7¾% Copenhagen 71/86	102.50	7.58	4.05	7.15	1. 4.77—86S
7½% Copenhagen 76/86	103.00	7.28	5.49	6.81	1.12.81—86S
6% Copenhagen 78/90	92.75	6.47	11.58	6.92	1.11.81—90S
6½% Council of Europe 73/81P	100.25	6.48	2.08	6.38	1. 5.81
7% Council of Europe 73/88	100.75	6.95	4.48	6.79	1. 7.78—88D

WestLB Euro-Deutschmarkbond Yield Index

March 30th., 1979: 6.72% (February 28th., 1979: 6.69%)

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment
9½% Council of Europe 75/82P	107.00	8.88	2.83	6.69	1. 2.82
8½% Council of Europe 76/83	104.50	8.13	2.30	6.32	1. 2.79—83D
7¾% Council of Europe 76/83	104.25	7.43	2.55	5.90	1. 5.80—83D
7% Council of Europe 76/83	102.70	6.82	4.67	6.30	1.12.83
6¼% Council of Europe 77/87	97.40	6.42	6.52	6.75	1.11.83—87D
6¼% Council of Europe 78/86P	98.50	6.45	7.25	6.87	1. 7.86
6¼% Council of Europe 78/88	95.80	6.41	7.08	6.53	16. 5.84—88D
6¼% Council of Europe 78/88 II	96.00	6.51	9.58	6.82	1.11.84—88D
6¼% Council of Europe 78/88 III	96.00	6.51	9.58	6.82	1.11.84—88D
6½% Courtaulds Int'l. 72/87	98.40	6.61	8.25	6.75	1. 7.80—87S
6% Credit National 77/87 (G)	96.65	6.21	8.50	6.52	1.10.83—87S
5¾% Credit National 78/83P (G)	98.25	5.85	4.42	6.30	1. 9.83
9% CVRD 76/84	105.00	8.57	3.81	7.43	1. 2.81(82-84)
8½% CVRD 76/86	104.10	8.17	5.12	6.68	1.12.82(83-85)
8% Daimler-Benz 70/85	104.00	7.69	3.45	6.79	1.11.78—85D
5½% Daishowa Paper 78/83P	95.50	5.76	4.33	6.72	1. 8.83
6% Danish Export 77/82P	99.25	6.05	2.04	6.36	1.11.78—82D
6¾% Danish Export 78/83P	98.00	6.87	2.63	6.59	1. 6.78—83D
8¼% Den Danske Bk. 76/86	105.65	7.81	5.92	7.04	1.11.82—86S
6½% Denmark 68/90P	99.00	6.57	0.99	7.71	1.10.72—80D
7% Denmark 69/84	101.60	6.90	2.74	6.49	1. 8.75—84S
6¾% Denmark 72/87	100.15	6.74	4.65	6.70	1.12.78—87S
9¼% Denmark 74/89	105.75	8.75	5.58	7.93	1. 3.80—89S
8¼% Denmark 76/82	105.10	7.85	2.83	6.22	1. 2.82
8% Denmark 76/82	105.50	7.58	3.42	6.15	1. 9.82
6¾% Denmark 77/83	101.00	6.68	4.12	6.46	16. 5.83
7¼% Denmark 77/87	102.50	7.07	8.12	6.83	16.5.87
5¼% Denmark 78/84	93.45	5.50	4.83	6.37	1. 2.84
6% Denmark 78/88	95.00	6.32	8.83	6.77	1. 2.88
5¾% Denmark 79/85	98.75	5.94	5.83	6.43	1. 2.85
6½% Denmark 79/89	96.75	6.72	9.83	6.96	1. 2.89
6¾% Den Norske Ind. 77/89 (G)	100.35	6.73	5.40	6.66	1. 6.80—89D
6% Den Norske Ind. 78/90 (G)	94.80	6.33	7.41	6.92	1. 5.83—90D
6½% District Paris 69/84 (G)	102.00	6.37	3.14	5.78	1. 4.75—85D
7¼% E E C 76/83	105.00	6.90	4.00	5.81	1. 4.83
7% Electrobras 79/87 (G)	100.05	7.00	6.35	6.98	1. 9.83(83-87)
6¾% Eletrobras 78/86 (G)	96.50	6.99	7.00	7.41	1. 4.86
7% Eletrobras 79/87 (G)	96.75	7.24	7.83	7.56	1. 2.87
4¾% Elf Aquitaine 78/88	81.10	5.76	6.10	6.71	15. 5.86—88D
5¾% Elf Norge 77/80P	100.25	5.74	1.04	5.65	16. 4.80
5¾% Elkem 78/88P	92.00	6.25	7.10	7.23	1. 6.84—88D
6% ENEL 65/80 (G)	99.85	6.01	0.74	6.29	1. 7.69—80D
6¾% Ericsson 72/87	100.50	6.72	4.44	6.61	1. 3.78—87S
8¾% ESAB 76/81P	103.50	8.45	1.83	6.64	1. 2.81
8½% ESCOM 65/80 (G)	100.00	8.50	0.99	6.45	1.10.71—80D
6½% ESCOM 68/83 (G)	97.50	6.67	2.43	7.64	1.10.74—83D
8½% ESCOM 70/85 (G)	102.25	8.31	3.39	7.72	1. 4.76—85D
8% ESCOM 71/86 (G)	101.00	7.92	3.77	7.83	1. 3.77—86D
6¼% ESCOM 72/87 (G)	93.45	6.69	4.16	8.15	1. 9.78—87D
7% ESCOM 73/88 (G)	95.50	7.33	4.82	8.16	1. 5.79—88D
9¼% ESCOM 75/90 (G)	102.36	9.04	1.33	7.28	1. 8.80
8% ESCOM 78/81 IP (G)	99.50	8.04	1.28	8.38	15. 1.80—81D
8% ESCOM 78/81 IIP (G)	99.50	8.04	1.32	8.38	1. 2.80—81D
8¼% ESCOM 78/81P (G)	100.00	8.25	1.83	8.22	1. 2.81
8% ESCOM 78/84P (G)	99.00	8.08	6.58	8.21	1.11.84
7¾% ESTEL 73/88	101.75	7.62	5.00	7.31	1. 8.79—88S
8½% ESTEL 75/85	105.40	8.06	4.50	7.05	1. 6.81—85S
8½% ESTEL 76/83P	105.25	8.08	3.82	6.92	1. 3.83
6¾% ESTEL 77/84P	98.50	6.80	5.58	6.82	1.11.84
6¼% ESTEL 77/84P	97.00	6.44	4.84	7.02	1.12.82—84D
6¼% ESTEL 78/85P	95.50	6.54	6.50	7.13	1.10.85
5¾% EURATOM 77/87	91.75	6.27	8.58	7.06	1.11.87
6¼% EURATOM 79/91P	96.00	6.51	8.18	6.90	1. 2.84—91D
5½% EUROFIMA 64/79	100.10	5.49	0.33	5.10	1. 8.79
6% EUROFIMA 65/80	100.50	5.97	1.16	5.51	1.12.68—80D
6½% EUROFIMA 67/83	104.25	6.24	3.37	4.55	1. 9.71—83D
6¼% EUROFIMA 72/87	100.40	6.23	4.22	6.13	1. 9.76—87D
6½% EUROFIMA 73/88	100.50	6.47	4.71	6.37	1. 3.77—88D
8% EUROFIMA 73/88	105.00	7.62	4.73	6.72	1.10.77—88D
10% EUROFIMA 74/79P	101.50	8.85	0.87	7.48	1.12.79
9% EUROFIMA 75/85	106.75	8.43	3.77	6.89	1. 2.81—85D
EUROFIMA 76/..	105.60	7.50	2.93	6.01	1. 2.83

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment D—mandatory drawing by lot at par S—sinking fund
6¾% EUROFIMA 77/87P	100.00	6.75	5.77	6.74	1. 2.83—87D
5½% EUROFIMA 78/88	95.90	5.74	6.28	6.31	15. 2.84—88D
5½% EUROFIMA 78/88P	93.50	5.88	8.04	6.56	1.11.85—88D
6½% EUROFIMA 79/89	101.25	6.42	7.77	6.29	1. 2.85—89D
6% Europ. Inv. Bank 69/84	100.75	5.96	2.85	5.79	1. 3.75—84D
7% Europ. Inv. Bank 69/84	102.50	6.83	3.00	6.16	1.11.75—84D
8% Europ. Inv. Bank 70/90	102.25	7.82	1.09	5.91	2. 5.80
7½% Europ. Inv. Bank 71/86	104.00	7.21	3.79	6.39	1. 3.77—86D
7¾% Europ. Inv. Bank 71/86	104.50	7.42	3.84	6.37	1.10.77—86D
6½% Europ. Inv. Bank 72/87	100.50	6.47	4.26	6.35	1. 3.78—87D
6% Europ. Inv. Bank 72/87	98.50	6.09	4.76	6.36	1. 9.80—87D
6¾% Europ. Inv. Bank 73/88	100.50	6.72	4.82	6.62	1. 2.79—88S
7% Europ. Inv. Bank 73/88	101.50	6.90	4.84	6.62	1. 7.79—88S
10% Europ. Inv. Bank 74/81P	107.50	9.30	2.42	6.51	1. 9.81
8% Europ. Inv. Bank 75/80	103.60	7.72	1.67	5.65	1.12.80
9½% Europ. Inv. Bank 75/83	107.25	8.86	2.73	6.43	1. 1.81—83D
8% Europ. Inv. 76/83	104.15	7.68	2.71	6.27	1. 7.80—83D
7¾% Europ. Inv. Bank 76/83P	105.00	7.38	4.50	6.42	1.10.83
6¾% Europ. Inv. Bank 76/84	103.00	6.55	4.13	5.90	1.12.81—84D
6% Europ. Inv. Bank 77/89	95.70	6.27	6.66	6.82	1. 8.82—89D
6% Europ. Inv. Bank 78/88 IP	95.00	6.32	9.33	5.73	1. 8.88
6% Europ. Inv. Bank 78/88 IIP	95.50	6.28	9.62	6.64	15.11.88
5¼% Europ. Inv. Bank 78/90	88.75	5.92	8.73	7.01	1. 3.85—90D
6% Europ. Inv. Bank 78/90	92.70	6.47	11.50	6.94	1.10.90P
6½% Europ. Inv. Bank 79/91	96.85	6.71	11.75	6.89	1. 1.91P
8¼% Europistas 71/86 (G)	106.00	7.78	3.71	6.50	1. 2.77—86D
8% Europistas 72/87 (G)	105.15	7.61	4.08	6.84	1. 1.78—87D
7½% Fin. Inst. of Dan. Ind. 76/81P	101.00	7.43	1.79	6.85	1.12.78—81S
6¼% Finland 64/79	100.00	6.25	0.42	6.33	1. 9.79
6% Finland 64/80	100.10	5.99	0.75	5.93	2. 1.71—80D
7% Finland 68/83	101.00	6.93	2.63	6.68	1. 6.72—83D
6¾% Finland 68/83	100.50	6.72	2.60	6.64	1.12.72—83D
7% Finland 69/84	101.00	6.93	3.02	6.74	2. 5.73—84D
7½% Finland 69/84	101.50	7.39	2.90	7.04	1.10.73—84D
7% Finland 72/87	100.25	6.98	4.32	7.05	1. 4.78—87S
8% Finland 76/84	102.00	7.77	3.62	7.02	1. 6.81—84S
5½% Finland 78/83P	95.50	5.76	2.83	6.07	1. 2.83
6% Finland 78/83	99.20	6.05	4.67	6.19	1.12.83
5¾% Finland 78/86	93.00	6.18	6.03	7.07	1. 2.86
7½% Finn. Kommunal 69/81 (G)	102.50	7.32	1.65	5.96	1.12.72—81D
8% Finn. Kommunal 71/83 (G)	102.60	7.80	3.54	6.98	2. 5.76—83D
8¼% Forsmarks 75/83 (G)	103.50	7.97	2.71	6.77	1. 7.80—83D
5¾% Forsmarks 78/90 (G)	92.35	6.23	7.11	7.15	16. 1.83—90D
7½% Francetel 76/83 (G)	103.60	7.26	4.54	6.57	16.10.83
6¾% Francetel 77/84P (G)	101.25	6.67	5.00	6.45	1. 4.84
7% Fuji Heavy 76/81P	101.00	6.93	2.67	6.56	1.12.81
9¼% Gen. Zbk. Vienna 75/82P	106.00	8.73	2.82	6.90	1. 3.82
8½% Gen. Zbk. Vienna 76/83P	104.75	8.11	3.33	6.84	1. 2.82—83D
6% Gen. Zbk. Vienna 77/87	98.35	6.10	6.61	6.31	1.12.83—87D
9¾% Giroz. Vienna 74/79P	100.50	9.70	0.67	6.90	1.12.79
9¾% Giroz. Vienna 74/80P	104.75	9.31	1.67	6.60	1.12.80
7% Giroz. Vienna 76/81	102.00	6.86	2.58	6.12	1.11.81
7¼% Giroz. Vienna 76/83	104.00	6.97	4.58	6.21	1.11.83
5½% Giroz. Vienna 77/82	99.45	5.53	3.50	5.67	1.10.82
5¾% Giroz. Vienna 78/86P	96.75	5.94	7.50	6.30	1.10.86
6% G. I. B. 78/83P	98.00	6.12	3.92	6.59	1. 3.82—83D
9¾% Goeteborg 75/85P	106.00	9.20	3.76	7.80	1. 2.81—85D
7% Grand Metrop. Fin. 77/84	101.50	6.90	3.79	6.53	1. 8.81—84S
8% Guest-Keen-Nettl. 76/83	104.75	7.64	4.09	6.63	2. 5.83
6¾% Hamersley Iron 72/87	100.50	6.72	4.04	6.59	1. 7.78—87S
8% Hazama-Gumi 76/81P	102.50	7.80	2.17	6.70	1. 6.81
7% Helsinki 68/83	100.75	6.95	2.18	6.73	1. 7.72—83S
7% Hitachi Cable 77/82P	100.00	7.00	2.76	6.98	1. 1.82
5¾% Hitachi Shipbldg. 78/83	98.00	5.87	4.71	6.24	16.12.83
8½% Hoogovens 70/86	101.90	8.34	0.17	7.48	1. 6.76—85D
8¾% IAKW, Vienna 75/85 (G)	105.00	8.33	3.40	7.07	1. 5.80—85D
7¼% Iceland 69/84	101.20	7.16	3.02	5.92	1. 5.73—84S
7¾% Iceland 77/87	103.25	7.51	4.76	6.93	1. 4.80—87S
6½% I C I Int'l 72/92	98.75	6.58	12.92	6.65	1. 3.78—92S
8½% I C I Int'l 75/82	101.75	8.35	3.33	7.88	1. 8.82
7½% I C I Int'l 76/86	104.00	7.21	6.64	6.72	1.12.84—86D
6¾% I C I Int'l 77/87	101.50	6.65	6.54	6.46	1. 5.84—87D
8% ICIPU 71/91 (G)	103.25	7.75	5.83	7.43	1. 1.77—91D
8% Imatran Voima 72/87 (G)	102.95	7.77	4.07	7.27	1. 1.78—87S
7% Indonesia 78/84	98.00	7.14	6.50	7.44	1.10.84
7¾% Ind. Dev. C. South-Afr. 78/82P (G)	99.75	7.77	3.08	7.84	1. 5.82
8% Ind. Dev. C. South-Afr. 78/83P (G)	99.75	8.02	4.25	8.05	1. 7.83
6½% Industr. Bk. Japan 73/80P	100.25	6.48	1.17	6.25	1. 6.80
6½% Industr. Bk. Japan 73/81P	100.25	6.48	2.08	6.26	1. 5.81
5% Industr. Bk. Japan 78/84	96.85	5.16	4.76	5.77	1. 1.84
7½% Ind. Min. Dev. Iran 73/85	93.00	8.06	6.08	9.04	1. 5.77—85S
7¾% Ind. Min. Dev. Iran 77/87	80.35	9.58	8.25	9.48	1. 7.83—87S
7¼% Ind. Min. Dev. Iran 78/84	86.00	8.43	5.48	10.75	16. 9.84
6¼% Ind. Mtgebk. Finl. 64/79 (G)	100.00	6.25	0.08	6.26	due 2. 5.79
6¾% Ind. Mtgebk. Finl. 68/80 (G)	100.50	6.72	1.08	6.35	1.11.73—80D
8% Ind. Mtgebk. Finl. 71/86 (G)	103.00	7.77	3.98	7.24	1.12.77—86D
7% Ind. Mtgebk. Finl. 72/87 (G)	100.60	6.96	4.03	6.84	1. 7.78—87D
5½% Int. Am. Dev. Bank 64/79	100.00	5.50	0.25	5.39	1. 7.79
8¾% Int. Am. Dev. Bank 68/83	102.50	8.59	2.20	5.60	1. 7.73—83S
7% Int. Am. Dev. Bank 69/84	102.00	6.86	2.74	6.29	1. 8.76—84S
8½% Int. Am. Dev. Bank 70/85	105.50	8.06	3.29	6.72	1. 9.76—85S
6¾% Int. Am. Dev. Bank 72/87 I	100.00	6.75	8.17	6.74	1. 6.78—87S
6¾% Int. Am. Dev. Bank 72/87 II	100.10	6.74	4.56	6.71	1.11.78—87S
8% Int. Am. Dev. Bank 76/83P	104.00	7.69	3.87	6.76	16. 2.83
8¼% Int. Am. Dev. Bank 76/83P	105.00	7.86	4.25	6.84	1. 7.83
7% Int. Am. Dev. Bank 77/87	100.90	6.94	5.08	6.79	1. 1.83—87S
5¼% Int. Am. Dev. Bank 78/88	96.25	5.45	8.75	6.83	1. 1.88
6¾% Int'l Com'l Bank 73/83	100.35	6.71	2.63	6.50	1. 6.79—83D
8¼% Ireland 76/81	103.50	7.97	1.75	6.05	1. 1.81
5¾% I R I ex. warr. 64/79 (G)	99.25	5.79	0.25	9.01	30. 6.79
7¾% ISCOR 71/86 (G)	99.00	7.83	7.17	8.09	1. 6.77—86D
7% ISCOR 72/87 (G)	98.25	7.27	4.29	8.21	1. 4.78—87D

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment
7% ISCOR 73/88 (G)	95.45	7.33	4.65	8.21	1. 3.79—88D
8½% ISCOR 73/88 (G)	101.05	8.41	4.78	8.20	1.11.79—88D
8¼% ISCOR 77/80 IP (G)	100.00	8.25	1.46	8.19	16. 9.79—80D
8¼% ISCOR 77/80 IIP (G)	100.00	8.25	1.71	8.21	16.12.79—80D
7¾% ISCOR 78/82P (G)	99.00	7.83	2.49	8.21	1. 4.81—82D
8¼% ISCOR 76/84P (G)	100.50	8.21	5.54	8.12	16.10.84
6% Japan 64/79	100.10	5.99	0.17	5.41	1. 6.79
7% Japan 68/83	103.75	6.75	2.38	5.37	1. 3.72—83S
7¼% Japan Dev. Bank 76/83 (G)	103.00	7.04	4.00	6.38	1. 4.83
8¼% Japan Synth. Rub. 76/81P	101.50	8.13	0.25	2.11	1. 7.81
8% Johannesburg 71/86 (G)	101.75	7.86	3.73	7.42	1. 9.77—86D
6¼% Johannesburg 72/87 (G)	93.25	6.70	4.15	8.22	1. 9.78—87D
7¾% Johannesburg 78/82P (G)	99.00	7.83	3.06	8.12	30. 4.82
7¼% Jydsk Telefon 69/84	101.10	7.17	2.86	6.93	15. 9.75—84S
6¾% Jydsk Telefon 72/87	99.25	6.80	7.92	6.87	1. 3.78—87D
7¼% Jydsk Telefon 73/88	101.25	7.16	4.81	6.93	1. 2.78—88D
9% Jydsk Telefon 75/82P	106.00	8.49	3.25	6.88	1. 7.82
6¾% Kansai Electric 69/84	102.10	6.61	2.86	6.03	1. 3.75—84S
7¾% Kansai Electric 71/86	103.25	7.51	3.95	6.78	1. 5.77—86S
6¾% Kawasaki Steel 75/82	101.85	6.59	0.17	6.25	clld.p.1. 6.79(101,50)
6¾% KELAG 73/88	101.25	6.67	4.88	6.44	1. 5.79—88S
6¾% KHD Finance 72/87	100.50	6.72	4.42	6.61	2. 5.78—87S
7¼% Kjobenhavns H. Bank 76/83P	101.75	7.25	4.67	6.91	1.12.83
7½% Kjobenhavns Tel. 72/87	102.25	7.33	4.27	6.98	2. 1.78—87S
7% Kjobenhavns Tel. 72/87	100.00	7.00	0.09	7.00	1. 5.78—87S
6½% Kjobenhavns Tel. 73/88	97.65	6.66	6.00	6.86	1. 4.79—88S
5% KLM Royal Dutch Airl. 78/85P	96.50	5.18	3.50	6.14	1. 5.79—85D
7% Kobe 68/83 (G)	103.50	6.76	2.63	5.63	1. 6.72—83S
6¾% Kobe 69/84 (G)	103.25	6.54	3.03	5.64	1. 6.73—84S
7¾% Kobe 71/86 (G)	104.50	7.42	3.90	6.40	1. 2.77—86S
6¾% Kobe 72/87 (G)	100.90	6.69	4.42	6.60	1. 5.78—87S
8¼% Kobe 75/80P (G)	101.00	8.17	1.17	7.29	1. 6.80
7½% Kobe 76/83 (G)	103.10	7.27	4.17	6.62	1. 6.83
6½% Kobe 77/87 (G)	101.25	6.42	8.17	6.30	1. 6.87
5¾% Kobe 78/86 (G)	98.30	5.85	7.25	6.04	1. 7.86
7¾% Kommunl. Inst. 76/83	102.00	7.60	2.98	6.98	1. 4.81—83D
8% Kommunl. Inst. 76/84	102.10	7.84	3.63	7.30	15.10.77—84D
7¼% Korea Dev. Bank 77/84 (G)	99.00	7.32	5.67	7.48	1.12.84
5¼% Kubota Int'l. 77/82P	98.25	5.34	3.16	5.55	1.12.81—82D
4¾% Kvaerner Ind. 78/88P	97.25	5.01	5.86	6.25	1. 3.84—88D
8½% Light-Servicos 77/82 (G)	104.90	8.10	2.92	6.59	1. 3.82
6¾% Light-Servicos 78/86 (G)	96.15	7.02	7.08	7.47	1. 5.86
10% Lonza Int'l. 74/79P	100.50	9.95	0.58	8.89	1.11.79
8¼% Lonza Int'l. 75/80P	100.50	8.21	1.12	7.74	15. 5.80
6½% Lufthansa Int'l. 79/86P	101.50	6.40	6.92	6.22	1. 3.86
7% Malaysia 72/84	103.25	6.78	3.11	5.82	1. 6.75—84D
6½% Malaysia 77/86	97.00	6.70	6.43	7.09	1. 9.85
9¼% Malmoe 75/84	105.00	8.81	3.29	7.46	1. 2.81—84D
8¼% Malmoe 76/83	103.00	8.01	2.36	6.83	1. 3.80—83D
6½% Manitoba 77/84	100.85	6.45	5.25	6.30	1. 7.84
6¾% Manit. Hydro El. 72/87	101.00	6.68	4.15	6.46	1. 6.78—87S
6¼% Megal Fin. Comp. 78/90	94.40	6.62	10.75	7.00	2. 1.85—90S
	99.00	7.07	10.00	7.14	
7% M E P C 73/88	98.25	7.12	4.29	7.49	1. 5.79—88D
7% Mexico 68/80	101.00	6.93	0.17	7.96	1. 6.71—80S
7% Mexico 68/84	101.75	6.88	2.69	6.37	2. 1.73—84S
7¾% Mexico 73/88	102.10	7.10	4.53	6.69	1. 1.79—88S
9% Mexico 75/82	107.60	8.36	3.25	6.32	1. 7.82
8% Mexico 76/83	105.20	7.60	4.17	6.52	1. 6.83
7¾% Mexico 77/84	104.50	7.42	5.17	6.68	1. 6.84
6% Mexico 78/85	98.40	6.10	6.00	6.33	1. 4.85
7¾% Mitsubishi Gas 76/81P	101.00	7.87	0.17	1.64	clld.p.1. 6.79(101)
5¾% Mitsubishi Petro 78/83	98.00	5.87	4.42	6.27	1. 9.83
7¾% Mitsui Toatsu 76/81P	100.75	7.69	2.46	7.37	15. 9.81
9% MODO 75/83	104.00	8.66	2.62	7.25	1. 6.80—83D
7% Montreal 69/89	100.25	6.98	5.22	6.94	1. 4.70—89D
6% Montreal 72/92	95.75	6.27	6.38	6.83	1. 9.73—92D
6¾% Montreal 73/93	98.35	6.86	14.17	6.93	1. 6.74—93S
8½% Montreal 76/86	104.00	8.17	3.57	7.17	1. 7.77—86S
7% Montreal 77/87	100.15	6.99	4.07	6.84	16. 7.78—87S
7½% Morg. Denmark 60/84 (G)	102.05	7.35	2.99	6.84	1.11.75—84S
7% Morg. Denmark 73/88 (G)	100.00	7.00	9.25	6.99	1. 7.79—88S
6¾% Morg. Bk. Finl. 69/84 (G)	100.75	6.70	2.41	6.61	1. 4.73—84S
7¼% Nafi. Mexico 69/79 (G)	100.10	7.24	0.17	6.66	1. 6.79
8¾% Nafi. Mexico 76/83P (G)	106.00	8.25	4.67	7.17	1.12.83
7% Nafi. Mexico 77/82P (G)	99.75	7.02	0.42	7.07	1. 9.82
8¾% Nafi. Mexico 77/84 (G)	105.50	8.29	4.92	7.37	1. 3.84
8¾% Nafi. Mexico 77/84P (G)	106.00	8.25	4.92	7.25	1. 3.84
8¼% Nat. Bk. Hungary 75/81	104.00	7.93	2.25	6.27	1. 7.81
6½% Nat. Bk. Hungary 77/85	96.00	6.77	6.58	7.28	1.11.85
6½% National Lead 67/79	100.00	6.50	0.17	6.33	1. 6.79
8% Nat'l. Westm. Bk. 73/88	104.00	7.69	4.72	6.36	1.10.79—88S
6¾% New Brunswick 72/87	100.25	6.73	4.37	6.67	1.11.78—87S
7¼% Newfoundland 69/84	102.75	7.06	3.27	6.40	1. 8.75—84S
8% Newfoundland 71/86	103.75	7.71	3.66	6.79	1. 8.77—86S
6¾% Newfoundland 72/87	99.60	6.78	6.58	6.80	1.11.78—87S
6½% Newfoundland 73/88	99.60	6.53	9.00	6.56	1. 4.81—88S
6¾% New Zealand 69/84	102.75	6.57	2.78	5.74	1. 2.75—84D
7½% New Zealand 71/86	105.00	7.14	3.86	6.15	1. 5.77—86D
7% New Zealand 72/87	101.75	6.88	4.17	6.50	1. 2.78—87D
9½% New Zealand 75/80P	102.50	9.27	0.83	6.28	1. 2.80
9¼% New Zealand 75/80P	102.00	9.07	0.83	6.65	1. 2.80
8¼% New Zealand 75/80P	102.75	8.03	1.25	5.87	1. 7.80
9¾% New Zealand 75/82	105.00	9.29	2.75	7.64	1. 1.82
7½% New Zealand 76/83	104.00	7.21	3.92	6.31	1. 3.83
7¾% New Zealand 76/86	107.00	7.24	5.52	6.20	1.11.82—86D
6¼% New Zealand 77/84	101.25	6.17	5.08	5.95	1. 5.84
5¼% New Zealand 78/86	93.80	5.60	6.92	6.38	1. 3.86
6% New Zealand 79/86P	97.50	6.15	6.83	6.46	1. 2.86
6¼% New Zealand 79/87	99.60	6.28	7.75	6.33	1. 1.87
9% Nippon Kokan 75/82	98.25	6.65	5.00	6.68	clld.p.1. 4.79(101)
5¾% Nippon Steel 78/85	98.00	5.87	6.42	6.13	1. 9.85
8¾% Nippon T + T 75/82 (G)	104.75	8.35	2.92	6.89	1. 3.83
8¼% Nippon T + T 75/82 (G)	103.75	7.95	3.17	6.88	1. 6.82
7¾% Nippon T + T 76/83 (G)	104.00	7.45	4.50	6.68	1.10.83
5½% Nippon T + T 79/87 (G)	94.70	5.81	7.83	6.38	1. 2.87
5¾% Norcem 78/85	95.50	6.02	5.92	6.69	1. 3.86
5% Norddt. LB Int'l. 78/84P	97.50	5.13	4.83	5.60	1. 2.84
6¼% Nordic Inv. Bank 79/86	99.00	6.38	6.75	6.62	1. 1.86
8½% Norges Komm. Bank 70/85 (G)	104.50	8.13	3.36	7.10	1.10.76—85S
8% Norges Komm. Bank 75/80 (G)	102.25	7.83	1.17	5.83	1. 6.80

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment D—mandatory drawing by lot at par S—sinking fund
8% Norges Komm. Bank 75/80P (G)	102.00	7.84	1.25	6.35	1. 7.80
7% Norges Komm. Bank 76/81 (G)	102.30	6.84	2.08	6.79	1. 5.81
7% Norges Komm. Bank 77/89 (G)	102.00	6.86	5.89	6.57	1. 4.80—89S
6% Norges Komm. Bank 77/89 I (G)	95.50	6.28	10.54	6.60	16.10.80—89S
6% Norges Komm. Bank 77/89 II (G)	95.50	6.28	10.67	6.60	1.12.80—89S
6% Norges Komm. Bank 78/90 (G)	94.50	6.32	11.33	6.65	1. 8.81—90S
6¼% Norges Komm. Bank 79/89 (G)	97.55	6.41	9.75	6.59	1. 1.84—89S
8½% Norpipe 75/84	104.10	8.17	3.17	7.00	1. 2.80—84S
8% Norpipe 76/88	103.60	7.72	6.56	7.28	1. 6.83—88S
6% Norpipe 77/89	95.00	6.33	10.58	6.57	1.11.84—89D
7¼% Norsea Gas 76/88	102.50	7.07	7.07	6.78	1.12.83—88S
7% Norsea Gas 77/89	100.25	6.98	8.36	6.95	1. 7.84—89S
9% Norsk Hydro 75/87	105.25	8.55	4.23	7.50	1. 3.80—87D
8% Norsk Hydro 76/88	105.35	7.59	6.40	6.94	1. 4.83—88S
6¾% Norsk Hydro 77/89	100.00	6.75	10.17	6.75	1. 6.82—89S
8¼% Norway 75/80	102.75	8.03	1.08	5.55	1. 5.80
8¼% Norway 75/80P	102.00	8.09	1.17	6.36	1. 6.80
7¾% Norway 75/80	103.75	7.47	1.67	5.31	1.12.80
7% Norway 76/81	103.00	6.80	2.08	5.43	1. 5.81
7½% Norway 76/81	105.00	7.14	2.25	5.08	1. 7.81
6½% Norway 77/82	102.25	6.35	2.75	5.58	1. 1.82
6¼% Norway 77/82	101.25	6.17	3.00	5.78	1. 4.82
5¾% Norway 77/82	100.25	5.74	3.33	5.85	1. 8.82
4¾% Norway 78/83	96.00	4.95	3.75	5.96	1. 1.83
4¾% Norway 78/83	93.65	4.67	4.00	6.22	1. 4.83
7¼% Norw. Mortgage 77/87	102.50	7.07	6.06	6.73	16. 5.83—87D
6% Norw. Mortgage 77/89	94.65	6.34	6.95	6.89	16.11.82—89D
7¾% Nova Scotia 71/86	103.00	7.52	3.99	6.99	1.12.77—86D
7% Nova Scot. Power 72/87	101.10	6.92	4.65	6.70	1.12.78—87S
6¾% Occident. Int. Fin. 78/90	96.37	7.00	11.67	7.21	1.12.85—90S
6½% Occident. Overs. 68/83	99.50	6.53	4.60	6.74	1.10.72—83S
6¾% Oester. Bandes-Sch. 68/80P	100.50	6.72	0.86	6.04	1. 6.80
6% Oester. Donaukr. 69/84 (G)	100.00	6.00	2.77	6.09	1. 2.65—84D
6¾% Oester. Donaukr. 73/88 (G)	100.25	6.73	4.90	6.68	1. 3.79—88S
8¾% Oester. Draukr. 75/85 (G)	106.25	8.24	3.65	6.84	1. 3.81—85D
7% Oest. El. Wirtsch. 67/87 (G)	101.25	6.91	4.16	6.76	1. 2.73—87D
7% Oest. El. Wirtsch. 76/83P (G)	101.75	6.88	4.71	6.54	16.12.83
5½% Oest. Ind. Verwaltung 78/85P (G)	95.50	5.76	6.25	6.39	1. 7.85
10¼% Oest. Inv. Kredit 74/79P	101.50	10.10	0.54	7.16	16.10.79
9½% Oest. Kontrollbank 74/79 I P (G)	100.50	9.45	0.17	6.16	1. 6.79
9½% Oest. Kontrollbank 74/79 II P (G)	100.75	9.43	0.25	6.16	1. 7.79
7% Oest. Kontrollbank 76/83P (G)	101.50	6.90	4.67	6.60	1.12.83
6¾% Oest. Kontrollbank 77/84P (G)	101.00	6.68	4.83	6.50	1. 2.84
6½% Oest. Kontrollbank 77/84P (G)	99.75	6.52	5.25	6.55	1. 7.84
6¼% Oest. Kontrollbank 77/84P (G)	99.50	6.28	5.33	6.35	1. 8.84
6% Oest. Kontrollbank 77/85P (G)	98.50	6.09	6.58	6.28	1.11.85
5¾% Oest. Kontrollbank 78/84P (G)	98.50	5.84	5.33	6.08	1. 8.84
5½% Oest. Kontrollbank 78/86P (G)	95.50	5.76	6.83	6.33	1. 2.86
6% Oest. Kontrollbank 78/88 (G)	97.50	6.15	7.83	6.41	16.12.88
6½% Oest. Kontrollbank 79/87P (G)	99.00	6.57	9.71	6.64	1. 2.87
5½% Oest. Länderbank 77/82	99.60	5.52	3.67	5.61	1.12.82
6¼% O K O 64/79 (G)	100.00	6.25	0.58	6.34	1.11.79
6½% Ontario 69/84	101.40	6.41	2.77	6.03	1. 2.75—84D
6% Ontario 72/87	98.40	6.10	4.75	6.39	1. 9.80—87D
7% Ontario Hydro 69/84	101.25	6.91	2.74	6.60	1. 8.75—84D
7½% Ontario Hydro 71/86	102.60	7.31	4.00	6.72	1.12.77—86D
6½% Ontario Hydro 72/87	99.85	6.51	4.50	6.53	1. 6.80—87D
6½% Ontario Hydro 73/88	99.30	6.55	5.25	6.66	1. 3.81—88D
6¼% Osaka 65/80 (G)	100.60	6.21	0.83	5.57	1. 2.80
5¾% Oslo 65/80	100.10	5.74	0.82	5.71	1. 3.80
7½% Oslo 69/84	101.75	7.37	2.89	6.96	1.11.75—84D
7½% Oslo 71/87	104.10	7.20	4.28	6.48	2. 1.78—87S
6¾% Oslo 73/90	100.25	6.73	5.56	6.69	1. 7.76—90S
9% Oslo 75/87	105.50	8.53	4.42	7.49	1. 3.78—87S
6¾% Papua 73/88	100.50	6.72	4.94	6.62	1. 7.79—88S
6¾% Parker-Hannifin 77/87P	101.00	6.68	6.10	6.54	1. 6.83—87D
8¾% Pemex 76/83	107.65	8.13	4.87	6.77	1.12.83
7% Pemex 77/84	102.90	6.80	5.42	6.34	1. 9.84
7% Pemex 78/86	102.50	6.83	6.75	6.52	1. 1.86
7% Petrobras 77/84	100.00	7.00	5.50	6.99	1.10.84
7% Petrobras 78/88	98.00	7.14	7.43	7.35	1.10.84—88D
7¼% Philippine 77/84	93.10	7.32	5.58	7.44	1.11.84
6¾% Philippine 78/85	94.37	7.15	6.00	7.97	1. 4.85
8¾% Philips 75/81P	103.00	8.50	2.00	7.09	1. 4.81
8½% Philips 75/81P	102.50	8.29	2.04	7.15	15. 4.81
8¾% Philips 75/82	105.75	8.27	2.86	6.54	15. 3.82
5¾% PK-Banken 78/88	92.25	6.23	7.01	7.19	1. 5.84—88D
9¼% Platm. Malmoe 75/80P	103.00	8.98	1.08	6.29	1. 5.80
6% Postipankki 79/85P	98.75	6.20	4.29	6.46	1. 2.82—85D
7¼% Privatbk. Copenh. 77/83P	101.25	7.16	4.00	6.88	1. 4.83
6¼% Pyhrn Autobahn 77/88 (G)	96.75	6.46	7.83	6.79	1. 9.84—89D
6½% Quebec 72/87	99.40	6.54	4.04	6.66	1. 7.78—87D
7½% Quebec 77/87	103.50	7.25	7.83	6.90	1. 2.87
7¼% Quebec 77/87	101.40	7.15	8.17	7.01	1. 6.87
6% Quebec 78/90	93.25	6.43	8.48	7.06	1. 5.85—90D
6¾% Quebec Hydro El. 69/84	102.00	6.62	2.77	6.04	1. 2.75—84S
7¼% Quebec Hydro El. 69/84	101.50	7.14	2.82	6.77	1. 9.75—84D
8% Quebec Hydro El. 71/86	103.69	7.72	3.74	6.89	1. 9.77—86D
6½% Quebec Hydro El. 72/87	100.00	6.50	4.34	6.90	1. 4.78—87D
6½% Quebec Hydro El. 73/88	99.30	6.55	4.70	6.67	1. 3.79—88D
6½% Quebec Hydro El. 77/87	99.80	6.53	8.37	6.56	16. 8.87P
6¼% Quebec Hydro El. 77/87	98.50	6.35	6.67	6.47	1.12.87P
8½% Queensland Alu. 70/85	104.00	8.17	3.44	7.29	1.11.76—85S
6¾% Rautaruukki 78/88 (G)	82.00	8.25	8.93	7.26	1. 4.84—88D
7¼% Read Paper 73/88	100.75	7.20	4.52	7.04	1. 1.79—88S
8½% Renfe 76/82 (G)	104.75	8.11	3.25	6.80	1. 7.82
8% Renfe 77/84 (G)	104.50	7.66	5.00	6.91	1. 4.84
5¼% Ricoh Comp. 78/83	97.50	6.38	4.33	6.81	1. 8.83
7¾% SAAB 71/86	102.25	7.58	4.22	7.25	1. 6.77—86S
10¼% SAFE 74/79P	101.00	10.15	0.58	8.34	1.11.79
7½% Saga Petrokjemi 77/87P	102.00	7.35	8.18	7.08	1. 7.83—87S
7½% Sandvik 72/87	102.10	7.35	4.16	6.89	1. 2.78—87D
9¼% Sandvik 75/83	110.00	8.41	3.63	6.23	1. 2.83
7% Sanko Steamship 77/84	101.75	6.88	4.83	6.56	1. 2.84
9% S.A.P.L. 75/80P (G)	103.00	8.74	0.92	5.53	1. 3.80
6½% Shell Int'l. 72/87	100.75	6.45	4.34	6.30	1. 4.78—87S
6¾% Shell Int'l. 77/89	102.75	6.57	7.77	6.29	1. 2.85—89D
8¼% Ship. Co. New Zeal. 75/80P (G)	102.00	8.09	1.17	6.39	3. 6.80
8½% Ship. Co. New Zeal. 75/82 I P (G)	101.50	8.37	0.14	8.08	clld.p.22. 5.79(101,50)
8½% Ship. Co. New Zeal. 75/82 II P (G)	101.50	8.37	0.16	8.05	clld.p.27. 5.79(101,50)
7% Siemens Europe 66/81	103.25	6.78	1.57	4.77	1.11.70—81S
7% Singapore 72/82	100.25	6.98	1.71	6.95	1. 7.78—82S
6½% Singapore 77/83	100.25	6.48	4.08	6.42	1. 5.83
8½% Sira Kvina 70/85	103.75	8.19	3.56	7.41	1. 6.76—85D
6¾% S.N.C.F. 68/83 (G)	101.75	6.33	2.44	5.69	1.10.72—83S
7½% Soc. Dev. Reg. 76/88 (G)	103.50	7.25	4.23	6.33	1. 4.80—88D
6¼% Soc. Dev. Reg. 77/82P (G)	92.25	6.58	8.93	6.98	16.12.83—82D
9% Soc. Mar. Fina 75/83P	103.50	8.70	2.89	7.60	1. 6.78—83D
6¼% Sorrento 79/84P	99.00	6.31	4.79	6.49	16. 1.84
6¾% South-Africa 69/84	99.25	6.80	5.00	7.05	1. 4.73—84S
6½% South-Africa 70/85	102.90	6.28	3.44	7.66	1.11.76—86S
7¾% South-Africa 71/86	100.00	7.75	7.58	7.90	1.11.77—88S
7% South-Africa 72/87	98.00	7.14	6.58	7.31	1.11.78—87S
8% South-Afr. Broadc. 78/81P (G)	101.00	7.92	1.92	7.41	1. 3.81
7¼% South-Afr. Oil Fund 78/81 I P (G)	99.87	7.26	2.56	7.28	1.11.81
7¼% South-Afr. Oil Fund 78/81 II P (G)	100.00	7.25	2.82	7.22	16.11.81
7¾% South-Afr. Oil Fund 78/82 I P (G)	98.25	7.81	3.33	7.99	1. 8.82
7¾% South-Afr. Oil Fund 78/82 II P (G)	99.00	7.83	3.46	8.07	16. 9.82
7¾% South-Afr. Oil Fund 79/84P (G)	97.75	7.93	4.92	8.32	1. 3.84
7½% South-Afr. Railway 73/88 (G)	97.75	7.67	8.17	7.85	1. 6.78—88S
9¼% South-Afr. Railway 75/80P (G)	100.00	9.25	1.17	9.20	1. 6.78—80D
9¼% South-Afr. Railway 76/80 (G)	102.75	9.00	1.25	5.83	1. 7.80
8¼% South-Afr. Railway 77/80p (G)	100.50	8.21	1.33	7.78	1. 8.79—80D
8% South-Afr. Railway 78/81P (G)	99.75	8.02	1.75	8.12	2. 1.81
7¾% South-Afr. Railway 78/82P (G)	99.50	7.79	3.08	7.93	1. 5.82
8% South-Afr. Railway 78/83 I P (G)	99.60	8.04	4.25	8.13	1. 7.83
8% South-Afr. Railway 78/83 II P (G)	100.00	8.00	4.42	7.98	1. 9.83
7¾% South-Afr. Railway 78/83P (G)	98.00	7.83	4.67	8.00	1.12.83
7% South Scot. El. 73/88 (G)	100.50	6.97	4.61	6.86	1. 2.78—88S
6¾% Spain 77/84	100.00	6.75	5.33	6.74	1. 8.84
6% Spain 78/88	93.85	6.39	9.08	6.93	1. 5.88
6% Sparbank Oslo 78/80P	92.75	6.47	6.33	7.47	16. 5.81—80D
7¾% Standard Imp. & Exp. 78/82P	98.75	7.85	3.33	8.17	1. 8.82
6½% Stand. Chart. Bank 78/88	97.00	6.70	8.75	6.96	1. 1.88
6% Statoil 78/88 (G)	96.00	6.25	9.42	6.58	1. 9.84—88S
6½% Statoil 79/89 (G)	98.10	6.63	9.92	6.77	1. 3.86—89S
7% Statsforetag 77/85	102.25	6.85	4.38	6.39	1. 3.82—85D
10% Steiermark 74/80P	105.25	9.50	1.50	6.17	1.10.80
8¾% Stockholm County 76/87	105.80	8.27	3.78	6.95	1. 4.79—87D
7¼% Studeb. Worth. 69/79	100.55	7.20	0.33	5.29	1. 8.79
8½% Sumitomo Metal 76/82	102.50	8.29	2.25	7.58	1. 7.82
7½% Sun Oil Int. Fin. 73/88	102.00	7.35	4.56	6.88	1. 8.79—88S
7¼% Svenska Cell 73/88	101.50	7.14	4.81	6.85	1. 2.79—88S
9% Svenska Taendst. 75/85	105.15	8.56	3.32	7.19	1. 3.80—85S
6¾% Sveriges Inv. Bk. 72/87	100.00	6.75	7.92	6.75	1. 3.78—87S
7% Sveriges Inv. Bk. 73/88	101.00	6.93	4.70	6.74	1. 3.79—88S
8½% Sveriges Inv. Bk. 75/83	102.30	8.31	2.62	7.48	1. 6.80—83S
6½% Sweden 77/84	101.25	6.42	5.08	6.20	1. 5.84
6% Sweden 77/89	95.50	6.28	10.67	6.60	1.12.83—89S
9½% Taisei Corp. 75/80p	102.50	9.27	0.98	6.71	16. 3.80
10% Tauernautobahn 74/79P (G)	101.25	9.88	0.50	7.18	1.10.79
9½% Tauernautobahn 74/81 (G)	108.50	8.76	2.25	5.37	1. 7.81
9% Tauernautobahn 75/82P (G)	107.00	8.41	2.92	6.29	1. 3.82
9% Tauernautobahn 75/83P (G)	107.50	8.37	3.92	6.75	1. 3.83
5½% Tauernautobahn 78/73 (G)	89.00	6.18	14.00	6.74	1. 4.84—93S
7% Tauernkraftwerke 68/83 (G)	102.00	6.86	2.30	6.14	1. 2.74—83D
6½% Tauernkraftwerke 68/83 (G)	101.65	6.39	2.35	5.82	1. 9.74—93S
8% Tenpfinco 73/93	105.50	7.58	8.68	7.12	1.11.82—93S
8½% Tenpfinco 75/82P	105.00	8.05	2.92	7.52	1. 3.82
8¼% Thailand 78/83P	98.25	8.49	4.00	7.37	1. 4.83
8½% Thyssen Car. Fin. 75/82P	107.50	7.91	3.00	5.71	1. 4.82
8¼% Thyssen Car. Fin. 75/82P	107.50	7.67	3.25	5.65	1. 7.82
6½% Thyssen Inv. 66/81	101.50	6.40	1.41	5.38	1. 3.72—81D
7¼% Tokyo El. Power 69/84	102.00	7.11	3.07	6.62	1.12.75—84D
9½% Toray Ind. 75/80P	102.50	9.27	0.88	6.37	10. 2.80
5½% Toyo Rubber 78/83P	87.00	6.87	4.50	6.27	1.10.83
6½% Traf. House Fin. 72/87	98.90	6.57	8.50	6.07	1.10.78—87S
6% Trinidad & Tobago 78/83	94.80	6.33	4.00	7.55	1. 4.83
6¾% Trondheim 68/83	101.30	6.66	2.61	6.29	1.12.72—83S
5¾% Trondheim 78/88	93.00	6.18	7.99	6.92	1. 4.86—88D
7½% T R W Int. Fin. 69/84	101.75	7.37	2.90	6.94	1.10.75—84S
6% T V O Power 78/88 (G)	82.50	6.49	5.83	7.17	1. 2.84—88S
5¾% UDS Group 78/83	96.90	5.93	4.42	6.57	1. 9.83
9¾% Unilever 74/81P	110.00	8.86	2.57	5.59	1.12.81
8½% Unilever 75/87	106.50	7.98	6.43	7.01	1. 5.81—87S
6½% Union Bank Finland 78/88	94.37	6.89	9.71	7.32	16.12.84—88S
4¾% Uniroyal 78/84P	97.00	5.03	5.33	6.43	1. 8.84
6¾% Unit. Arab Emirates 77/82P	99.00	6.82	3.08	7.12	30. 4.82
7% Venezuela 68/83	103.00	6.80	2.44	5.75	1.10.74 83S

WestLB SD Certificates (Schuldschein-Index)

4 years maturity: 6.85% — 5 years maturity: 7.00%

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment
6% Venzouela 78/88	90.62	6.62	8.92	7.43	1. 3.84—88S
6½% Venezuela 78/90	91.62	7.09	11.58	7.61	1.11.85—90S
7% Vienna 68/83	102.00	6.86	2.63	6.25	1. 6.74—83S
8¼% Vienna 75/84	103.65	7.96	2.74	6.72	1. 8.79—84D
5¾% Vienna 77/84P	98.00	5.87	5.71	6.17	15.12.84
8½% Voest-Alpine 73/88	104.40	8.14	5.16	7.42	1.10.79—88S
8½% Voest-Alpine 75/85	105.80	8.03	4.10	6.82	1. 6.81—85D
6¾% Voest-Alpine 77/89	100.25	6.73	7.57	6.70	1. 6.84—89D
6½% Wells-Fargo ex w. 73/88	100.00	6.50	9.58	6.49	1.11.79—88S
5½% Worldbank 65/85	100.15	5.49	3.10	5.52	1. 4.71—85D
6½% Worldbank 68/80	100.75	6.45	1.33	5.37	1. 8.80
6½% Worldbank 68/84P	100.00	6.50	2.69	5.48	2. 1.77—84D
6½% Worldbank 69/84	101.30	6.42	3.11	6.12	1. 6.75—84D
6½% Worldbank 69/84P	100.00	6.50	3.69	6.48	2. 1.77—84D
6% Worldbank 69/84P	99.25	6.05	2.94	6.29	1. 4.77—84D
8½% Worldbank 70/80	103.75	8.19	1.33	5.61	1. 8.80
8% Worldbank 70/86	104.00	7.69	3.62	6.70	1. 1.77—86D
7½% Worldbank 71/86 I	102.75	7.30	4.04	6.69	1. 6.77—86D
7½% Worldbank 71/86 II	102.75	7.30	4.00	6.68	1.12.77—86D
					1.12.77—86D
6½% Worldbank 72/82	101.50	6.40	3.25	5.97	1. 7.82
6¾% Worldbank 72/87	100.50	6.72	4.25	6.61	1. 3.78—87D
6¾% Worldbank 73/83	102.50	6.59	3.83	5.99	1. 2.83
6¼% Worldbank 73/88	98.25	6.42	4.87	6.58	1. 5.79—88D
8¼% Worldbank 75/82P	106.00	7.78	3.17	6.10	1. 6.82
8% Worldbank 75/82	106.00	7.55	3.67	6.11	1.12.82
8¼% Worldbank 76/83	107.45	7.68	4.25	6.19	1. 7.83
8% Worldbank 76/82P	103.75	7.71	3.33	6.66	1. 8.82
7¾% Worldbank 76/82P	104.00	7.45	3.50	6.42	1.10.82
7½% Worldbank 76/83	104.50	7.18	4.08	6.21	1. 6.83
7¾% Worldbank 76/83	105.25	7.36	4.50	6.36	1.10.83
6¾% Worldbank 76/83P	101.50	6.65	4.67	6.38	1.12.83
8% Worldbank 76/84	106.15	7.54	4.83	6.47	1. 2.84
5½% Worldbank 77/82P	99.25	5.54	3.46	5.73	15. 9.82
7% Worldbank 77/85P	101.75	6.88	5.52	6.63	1. 3.85
6½% Worldbank 77/85P	100.00	6.50	6.08	6.50	1. 5.85
6% Worldbank 77/85	98.15	6.11	6.46	6.35	15. 9.85
7% Worldbank 77/87	102.40	6.84	7.75	6.59	1. 1.87
6½% Worldbank 77/87	99.10	6.56	8.08	6.64	1. 5.87
5¾% Worldbank 78/84	98.20	5.86	5.33	6.15	1. 8.84
6% Worldbank 78/88	94.25	6.37	8.33	6.85	1. 8.88
6¼% Worldbank 78/88	96.75	6.46	9.67	6.71	1.12.88
5¾% Worldbank 78/90	90.93	6.33	9.29	7.12	1. 2.87—90D
6¾% Yokohama 68/83 (G)	102.25	6.60	2.36	5.80	1. 9.72—83S
7% Yokohama 69/84 (G)	102.75	6.81	2.91	6.05	30. 9.73—84S
8% Yokohama 71/86 (G)	101.75	7.86	2.04	7.44	1. 8.77—86S
8¾% Yoshida Kogyo 75/80P	103.00	8.50	1.25	6.14	1. 7.80
8% Yugosl. Inv. Bank 77/84P	100.50	7.96	3.10	7.79	15.12.79—84S

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Market Makers in Floating Rate Note Issues

The interest rates per annum applicable to the following US$ Floating Rate Note issues were announced during March. These rates are quoted for information purposes only, and should be confirmed prior to the execution of a specific transaction. The rates quoted apply to the six-month periods shown.

		From	To	Rate
BNP	1983	1 Mar 79	1 Sept 79	11 5/16%
Hapoalim Int'l	1982	8 Mar 79	8 Sept 79	11 9/16%
Citicorp (over 3 month LIBOR)	1994	8 Mar 79	10 June 79	11 1/16%
Bq. Louis-Dreyfus	1983	13 Mar 79	12 Sept 79	11 7/16%
Kingdom of Thailand	1984	15 Mar 79	15 Sept 79	11 5/16%
Leumi Int'l	1981	15 Mar 79	17 Sept 79	11 9/16%
Leumi Int'l	1984	15 Mar 79	17 Sept 79	11 9/16%
Nippon Credit	1983	15 Mar 79	16 Sept 79	11 5/16%
Sumitomo Hvy. Inds.	1983	16 Mar 79	16 Sept 79	11 1/2%
BNP	1981	18 Mar 79	18 Sept 79	11 1/4%
Urquijo Int'l	1986	21 Mar 79	21 Sept 79	11 1/2%
Enpetrol	1986	21 Mar 79	21 Sept 79	11 1/2%
Bco. Nac. Argentina	1983	22 Mar 79	22 Sept 79	11 3/8%
UBAF (6 1/4% min.)	1982	26 Mar 79	25 Sept 79	11 1/2%
Allied Irish Banks	1984	28 Mar 79	28 Sept 79	11 7/16%
UOB (over 3 month LIBOR)	1989	29 Mar 79	29 June 79	11 7/16%
General Cable	1980	30 Mar 79	28 Sept 79	11 5/8%

Interest rates applicable to the issues listed below will be announced during April.

Amex Bank	1982/85
Bca. Comm. Italiana	1981
BFCE	1983
Bq. Nat. d'Algerie	1983
Bank of Tokyo Holdings	1981
Bank of Tokyo Holdings	1993
Banco Union	1983
Beogradska Banka	1983
GZB	1983
Int'l Westminster Bank	1984
Oest. Kontrollbank	1988/93
Societe Generale	1984
Sundsvallsbanken	1985
Union Bank of Finland	1982
Rep. of Costa Rica	1985
Ishikawajima Harima	1985
SOFTE	1988
Texas Int'l Airlines	1986

Bankers Trust International Limited

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115 Kredietbank N.V.

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235 Banque de l'Union Européenne
225 Banque Louis-Dreyfus
205 Banque Nationale de Paris
210 Credit Commercial de France Paris
215 Credit Lyonnais
218 E. F. Hutton Services S.A.R.L.
220 Interunion-Banque
270 Smith Barney Harris, Upham & Co. Inc.

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300 Commerzbank AG
305 Deutsche Bank AG
306 Dresdner Bank AG
307 Westdeutsche Landsbank Girozentrale
309 Creditanstalt Bankverein
310 Girozentrale und Bank der österreichischen Sparkassen AG

REGION 4 - ITALY

405 Banca Commerciale Italiana Milan
407 Banco Ambrosiano S.p.A.
409 Banco di Roma
415 Credito Italiano
420 Istituto Bancario Italiano
425 Istituto Bancario San Paolo di Torino
430 Monte dei Paschi di Siena

REGION 5 - LUXEMBOURG

505 Banque Générale du Luxembourg S.A.
510 Banque Internationale à Luxembourg S.A.
540 Bayerische Landesbank International S.A.
515 Dewaay Luxembourg S.A.
520 Kredietbank S.A. Luxembourgeoise
530 Swiss Bank Corporation (Luxembourg)

REGION 6 - NETHERLANDS

600 H. Albert de Bary & Co. N.V.
601 Algemene Bank Nederland N.V.
602 Amsterdam-Rotterdam Bank N.V.
603 Bank Mees & Hope N.V.
604 Barclays Kol & Co. N.V.
611 Centrale Rabobank Utrecht
612 Bank Van Der Hoop Offers N.V.
605 Bank Morgan Labouchere N.V.
610 F. van Lanschot
606 Nederlandsche Middenstandsbank N.V.
607 Nederlandse Credietbank N.V.
608 Pierson, Heldring & Pierson
609 Slavenburg, Oyens & Van Eeghen N.V.

REGION 7 - SCANDINAVIA

705 Bank of Helsinki Ltd. (Helsingfors Aktiebank)
755 Bergen Bank
740 Den norske Creditbank
750 Den Danske Bank of 1871 Aktieselskab
710 R. Henriques jr. Bank-Aktieselskab
715 Kansallis-Osake-Pankki
720 Kjøbenhavns Handelsbank
745 Postipankki
730 Privatbanken Aktieselskab
735 Skandinaviska Enskilda Banken
725 Union Bank of Finland (Nordiska Föreningsbanken AB)

REGION 8 - SWITZERLAND

800 Bondpartners S.A.
805 Credit Suisse/Swiss Credit Bank
860 *Swiss Bank Corporation*
870 Union Bank of Switzerland

REGION 9 - UNITED KINGDOM

901 Akroyd & Smithers Limited
902 Bank of America International Ltd.
903 Bank Julius Baer International
905 *Bankers Trust International Limited*
910 Banque Francaise de Credit International Ltd.
909 Chase Manhattan Ltd.
908 Chemical Bank International Ltd.
911 Citicorp International Bank Limited
912 Continental Illinois Limited
914 Credit Suisse First Boston Ltd.
913 Daiwa Europe N.V.
915 Deltec Trading Company Limited
920 Dillon, Read Overseas Corporation
922 Dominion Securities Limited
925 European Banking Company Ltd.
930 First Chicago Limited
931 Goldman Sachs International Corp.
932 Hambros Bank Limited
933 IBJ International Limited
934 Hill Samuel & Co. Ltd.
935 Kidder Peabody Securities Limited
938 Loeb, Rhoades
939 Kuhn Loeb Lehman Brothers Inc.
936 Manufacturers Hanover Limited
937 McLeod, Young, Weir International Limited
940 Merrill Lynch, Pierce, Fenner & Smith (Brokers & Dealers) Ltd.
941 Morgan Stanley International
945 Nesbit, Thomson Limited
942 The Nikko Securities Co. (Europe) Ltd.
943 Nomura Europe N.V.
946 Orion Bank Limited
948 Pinchin, Denny & Co.
947 Salomon Brothers International Ltd.
950 Samuel Montagu & Co. Ltd.
955 Scandinavian Bank Limited
960 Strauss, Turnbull & Co.
962 Sumitomo Finance International
964 Vickers, da Costa & Co. Ltd.
965 S. W. Warburg & Co. Ltd.
967 Wedd Durlacher Mordaunt Ltd.
970 Westdeutsche Landesbank Girozentrale
975 White Weld Securities
977 M. S. Wein & Co. Inc.
980 Wood Gundy Ltd.
990 Yamaichi International (Europe) Ltd.

REGION 10 - UNITED STATES

10 Arnhold and S. Bleichroeder, Inc.
20 Drexel Burnham Lambert Inc.
30 Kidder, Peabody & Co. Inc.
32 Lehman Bros, Kuhn, Loeb Inc.
33 Lazard Freres & Co.
35 Merrill Lynch, Pierce Fenner & Smith Inc.
60 Salomon Brothers
80 Atlantic Capital Corporation

REGION 11 - MIDDLE EAST

005 The Arab Co. for Trading Securities S.A.K.

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Tel. 01-493 9127 or 01-491 4774 Telex 8811055

JAPANESE DOLLAR DEPOSITORY RECEIPTS

	Close at 3/4/79		Close at 3/4/79		Close at 3/4/79
Honda	\$21.79	Makita	\$29 1/2	Sony	\$8 1/4
Ito Yokado	\$69.10	Murata	\$4.40	Taisho Marine	\$10 3/4
Jusco	\$45.37	Nippon Meat Packers	\$2.71	TDK	\$8 1/2
Komatsu Forklift	\$3.06	Pioneer	\$20 1/2	Tokyo Sanyo	\$2.00
Kubota	\$26.35	Renown	\$3	Trio	\$27.41
				Wacoal	\$22 5/8

INVESTMENT FUNDS

The following funds include Eurobond issues within their portfolios

Quotations & Yields as at 30th March, 1979

SOCIETE GENERALE De BANQUE

BANQUE GENERALE Du LUXEMBOURG

Fund	Price	First Issue Price	Yield %	Div. Date
Rentinvest	LuxFr 826	LuxFr 1000	8.36	20/11/78 (F67)
Capital Rentinvest	LuxFr 1381	LuxFr 1000	(Capitalisation)	

	1/4/78 High	31/3/79 Low	1/4/76 High	31/3/79 Low
Rentinvestment	LuxFr 918	LuxFr 814	LuxFr 918	LuxFr 814
Capital Rentinvest	LuxFr 1423	LuxFr 1305	LuxFr 1423	LuxFr 1110

Good News from Berlin
[Our 1978 Highlights]

Business volume up 11%
Customers' deposits up 13%
Loans and discounts up 10%
Net profit before taxation up 11%
Equity up 14%
of which
Declared reserves up 15%
Dividend 16%
Number of accounts 851.537

Figures from our Accounts for the Year:

(in DM million)	1978	1977
Deposits	5,015	4,460
Due to banks	800	873
Due from banks	1,314	1,099
Lendings	3,543	3,220
Equity	266	234
of which Capital 95		
Declared reserves 171		
Business volume	6,545	5,899
Net profit before taxation	53,6	48,6

Branch in:
Frankfurt/Main 1

Wholly-owned subsidiaries:
Bankhaus Joh. Schuback & Söhne, Hamburg
Berliner Bank International S.A., Luxemburg

Subsidiary:
Braunschweig-Hannoversche Hypothekenbank, Hannover

Our complete Annual Report available on request

BERLINER BANK
Aktiengesellschaft
Head Office
Hardenbergstraße 32
(Post Office Box 12 17 09)
D 1000 Berlin 12
Telephone: (030) 31 09 1
Telex: 01-83 441

BERLINER BANK AKTIENGESELLSCHAFT

Creditanstalt – your partner in Austria for dealing in Austrian Schilling Bonds and International Bonds of Austrian issuers

Selected Austrian Schilling Bonds of Austrian issuers	Last Price	Yield to average life	Current Yield	Redemption (mandatory drawings by lot)
maturity over 5 years				
8 % Österreich 1973/B/81	102,—	7,11	7,84	15. 2.77-81 at 101,0
8 1/2% Österreich 1975/S/83	103,50	7,24	8,21	5. 3.76-83 at 100,0 to 101,0
8 1/2% Innsbruck 1974/B/82	102,50	7,36	8,29	19.11.75-82 at 100,5
8 1/2% Steyr-Daimler-Puch 1974/B/81	102,—	7,35	8,33	29.10.75-81 at 100,5
maturity over 5 years				
8 1/2% Österreich 1975/S/III/85	105,50	7,52	8,06	27.11.79-85 at 103,0 to 103,5
8 1/2% Österreich 1976/S/86	105,50	7,52	8,06	20. 2.81-86 at 101,5 to 104,0
8 % Österreich 1976/S/III/B/86	102,75	7,41	7,79	22.11.83-86 at 100,0
8 % Österreich 1977/II/B/86	102.50	7,40	7.80	15. 9.82-86 at 100,0
7 3/4% Österreich 1978/VI/C/86	101,75	7,43	7,62	7.11.86 at 100,0
8 % Arlberg Straßentunnel 1977/B/85	102,—	7,35	7,84	29. 7.80-85 at 100,0
8 1/2% Wien 1974/B/84	102,50	7,40	8,29	2. 7.75-84 at 100,0
8 1/2% Energie 1975/II/B+S/85	105,50	7,53	8,06	29.10.79-85 at 103,5
8 % Energie 1977/S/II/B/86	102,50	7,41	7,80	4.10.82-86 at 100,0
8 % CA-BV 1976/II/A/91	102,50	7,45	7,80	7.10.77-91 at 100,0
7 3/4% Export 1978/III/C/86	102,—	7,38	7,60	17. 8.86 at 100,0

Selected US-\$ Bonds of Austrian issuers

5 3/4% Alpine Montan 65/85
6 5/8% Austrian Electricity 66/86
6 3/4% Austrian Electricity 67/82
6 % Rep. of Austria 64/84
6 3/4% Rep. of Austria 67/82
8 3/4% Rep. of Austria 76/90
8 1/4% Tauernautobahn 77/87
9 1/2% Österreichische Kontrollbank 74/79 in Austrian Schilling (traded in US-\$ only)

Interest is payable without deduction for or on account of Austrian taxes.

For current prices and further information please contact:
For Austrian Schilling Bonds: Robert Jekl, Robert Wasinger
(Telephone: 6622/1701 or 1707, Telex: 74261-63)
For International Bonds: Walter Vogl (Telephone: 6622/2222, Telex: 76948).

Code for Reuter Monitor Securities Program: CADA, CA DB

Creditanstalt

Creditanstalt-Bankverein, Schottengasse 6, A-1010 Vienna.

Why the fur has been flying in the battle for the Bay

Takeover fever in Canada: The Bronfman family yesterday bid for Brascan and Brascan bid for Woolworth, adding to the thrills of the Thomson's and Westons' struggle to acquire the Bay. Jim Rusk, Toronto Correspondent reports on the background to that fight.

ANY TAKEOVER battle as large and as bitterly contested as the one now raging between the Thomson family and George Weston for control of Hudson's Bay Company would attract considerable interest. But this one has developed a special following.

While the men on stage may be businessmen in their pin-striped suits, with coteries of lawyers and management school *whiz-kids* in the background, there are also a number of colourful ghosts hovering around. In the case of the Hudson's Bay, the ghosts are the history book character of the larger part of Canada. "The Governor and Company of Adventurers of England Trading into Hudson's Bay," one of the oldest chartered trading companies in the world, received its charter from Charles the Second in 1670 and will see the reign of Charles the Third, though under new ownership, no doubt.

Without the Bay, it is safe to say there would be no Canada. It established the British presence to the north and west of the French colonies in North America and its traders took the empire over the Rocky Mountains to the Pacific. Its traders were the first white men that many Indians and Eskimos saw and its trading posts the first white settlements. While *Church of England priests* soon followed the fur trader into the frozen Canadian North, the Royal Canadian Mounted Police did not come until two centuries later. *Even today, in* many settlements in the North, the fur trader, priest and Mountie are still the three most important representatives of white man's civilisation.

The Bay was a model for the commercial expansion of the empire. *The Hongs of the* China trade, the East India Company and Cecil Rhodes's concession in Africa, all owed much to lessons learned from the Bay. And the Bay outlasted them all.

Fur trade

Its trading posts are still found in the North. Indeed, the *original* one, Fort *Rupert*, built in 1668 on the trial voyage that convinced the merchants of London to start the company, is still being used, and the *Bay still runs its fur* auctions.

But from that start in the fur trade, the Bay has grown over the years into one of the largest merchandising organisations in Canada. The post stores grew along with the Canadian *West and are now* department stores: the oil rights on the territory the Bay kept when the Government of Canada bought its lands shortly after *Confederation* are the backbone of Hudson's Bay Oil and Gas, a major resource company in which the Bay has a large interest.

The canny Scots traders who ran the Bay were the nucleus *of the Canadian business* community in the early years of the nation. For example, Donald Smith, who had been a governor (the title the Bay still uses for its *chairman*) of the Bay, was an early president of the Bank of Montreal and was the man who drove the last spike when the Canadian Pacific railway linked Canada *from east to* west.

In the 1970s, the Bay has found a new vigour. The headquarters were moved from *London to Winnipeg* and the company has grown rapidly. Two of its boldest moves came only last year with the acquisition of Zeller's, a Montreal-based junior department store chain, and of Simpsons, a leading Toronto-based department store company, making the Bay the largest non-food retailer in Canada.

Compared with the Bay's three centuries of history, its suitors are upstarts. George Weston traces its history to a bakery *started in Toronto* in 1882 by George Weston. The company was founded in 1928 by the late W. Garfield Weston, who had taken over the bakery business *from* his *father*. Characteristically, the Weston family still owns the block of houses near central Toronto in which Garfield Weston was born.

Characteristically, the block is up for sale. The next gene*ration of Westons* is in charge. W. Galen Weston, 39, Garfield's youngest son, now runs the Canadian company. His brother, W. Garry Weston, runs the British, European and South African company business, Associated British Foods, which has no corporate links with George Weston in Canada although the two businesses, with their bakeries and super*markets, are similar.*

Mr. Weston the younger has done a remarkable job since he came to take the helm in Canada in the early 1970s. His *father had assembled, often in secret*, a hodge-podge of Canadian subsidiaries, many of them leaders in their markets. But the group's performance *had slipped badly.*

Today, the company is highly profitable and a highly-geared balance sheet has been tightened up to the point where the company's paper *is expected to* receive AA rating for the first time in years, although the debt to be taken on if the Bay is acquired may put off the day *when an improved rating is forthcoming.* Mr. Weston achieved this decade's turnaround with a set of plans taken from the basic textbooks *of North* American business schools. Tough young executives set and enforce plans and controls on companies that had largely been allowed to turn in any *standard* of performance. Bits that did not make sense were sold off, whether profitable or not, and losing operations were pruned, although *often only after a strong effort* had been made to save them.

Weston now has four main divisions — food processing, food retailing and wholesaling, *forest products and fisheries*. The Bay's non-food merchandising and resource operations do not overlap and Mr. Weston sees more room for growth in them than in many of his own businesses.

Of the three actors on the *stage, the* Thomson family has the shortest history, although its entrepreneurial record is also remarkable. The family and heirs of the late Lord Thomson *of Fleet control two companies* —Thomson Newspapers and the International Thomson Organisation and in the four decades from the time the late Lord Thomson *bought a small news*paper in a mining town in northern Ontario these have grown to be one of the largest Canadian-based business *empires.* Thomson Newspapers operates a string of North American dailies, mostly in smaller cities, that is highly profitable. International Thomson, whose operations are largely in Britain, although the company is Canadian based, owns a number of publications, including The Times.

Thomson bid

The *family's proposed* acquisition of the Bay is to be financed with North Sea oil profits from International Thomson's stake in the Piper *and Claymore fields. However*, if the family does acquire the Bay, it will not be through its two existing public companies but through two family holding companies.

The script for the play has been rewritten several times since the Thomson bid was announced on March 1. And *even though the Bay's directors* announced yesterday that they were recommending acceptance of Thomson's latest, unconditional offer of C$37 a share for *17.32m A shares representing* some 75 per cent of the Bay's common stock in a bid worth some $640.8m, it is still not certain how the play will end.

The plot has become more complicated as a result of the Canadian Government's announcement that it hopes to get a temporary injunction against the *sale* of the Bay. The Minister of Consumer and Corporate Sales, Mr. Warren Allmand, has said that the Government would seek the *injunction in order to give it* time to complete an investigation into the rival acquisition plans.

Federal Combines investiga*tors launched their inquiry into* the sale of the Bay after complaints from the Canadian Federation of Independent Businessmen, a group of small businessmen who feel that the Bay's merger with Weston would curtail the competitiveness of the market for many small dry goods that are sold in both *grocery* and *department* stores.

While the possible sale has not yet emerged as a major issue in Canada's federal *election campaign*, it has focused some attention on the weakness of Canadian combines law.

Unlike the U.S., which has *strong anti-trust* legislation dating back to the first decade of this century, or even Britain with its Monopolies Commission, Canada has no vehicle which *regularly* considers and rules on mergers before they take place. Furthermore, price-fixing is covered by criminal rather than civil law and in order to *effectively* prosecute a charge, price watchdogs must prove that a criminal conspiracy existed.

As a consequence, the Govern*ment has had to stand on the* sidelines as a spate of mergers and take-overs has re-shaped Canadian business in the last two years. Many of them, such as these taking place in the oil and gas industry, could probably be defended as contributing to industrial efficiency: others have left Canadian politicians and the public wondering about the effects on competition in Canada.

Merger law

The Bay itself attracted attention last autumn with its acquisition of Zellers and Simpsons. Although it was questioned in Parliament, nothing was done by federal authorities. Another proposed merger—the Domtar-MacMillan Bloedel affair — fell through under pressure *from* the Government of the Province of British Columbia.

It, too, brought out some public opposition but once again *the federal government stood on* the sidelines.

It is yet to be seen whether Mr. Allmand's investigation into the acquisition of the Bay, *initiated under legislation* which gives the Government authority to investigate the effect of the merger on competition but which has never been used *to block a deal*, is any more than a manoeuvre to get the Minister through the election campaign that ends on May 22. However, Mr. Allmand, who unsuccessfully tried to pass competition legislation in 1978, is known to be keen to try again if the Liberals are returned to power.

One way *or another* the fur has been flying in this series of old-fashioned takeover battles. Not only have they added *spice* to an extended bull market on the Toronto stock exchange which has been going up almost without interruption since the beginning of 1978. They have also given economists food for thought. At least some of the major bids seem to reflect a feeling in business that the period of slow growth in Canada may be coming to an *end*, and *that it is best to* acquire productive assets quickly before it is too late.

Under Sir George Simpson, the 19th Century "Little Emperor" of the Bay, officers of the company met each year to settle the affairs of half a continent.

Letters to the Editor

Investment in steel

From the Vice-President, Arthur D. Little.

Sir,—The article "A Steel revolution in the making" (April 4) questions the value *of a big blast furnace such as* the one at Redcar. We believe that the future of the UK steel industry lies in producing a reasonable proportion of the country's needs of *tonnage* steels at competitive costs (which is the objective at South Teesside) and in moving further towards higher value, higher margin steels based upon the electric furnace (as in South Yorkshire).

The electric-arc furnace could *not replace the new* blast furnace at South Teesside as there is simply not enough scrap available in Britain (3.5m tonnes per year) without seriously depriving existing UK scrap users of their supplies.

Plasma arc steel-making is an interesting technology, but it is still, at best, only in the laboratory stage. There is no way in which such a process could become a commercial proposition in ten years—certainly not on a scale capable of producing 10,000 tonnes per day at a single location. Nor is it clear from a capital invest*ment standpoint*, whether plasma steel-making will be less expensive than the coke oven-blast furnace-oxygen steel-making route used at Teesside. The $36.5m capital investment projected by Foster Wheeler *is* of the same order, per annual tonne of output, as the investment at the South Teesside complex. Further, the estimated operating cost for producing billets via the plasma steel-making route ($154 per tonne) is unlikely to be much, if any, less than billet costs at the South Teesside location and the Foster Wheeler *cost estimates* "need generous margins for inaccuracies."

Plasma steel-making may be an interesting process for the future, but British Steel Corporation cannot wait for it to be developed *for the production* of tonnage steels. To be cost competitive in those products during the 1980s, BSC must concentrate on achieving manning levels and production efficiencies similar to those of its major competitors.

E. L. Pepper,
Arthur D. Little,
Berkeley Square House,
Berkeley Square,
London, W1.

Shotton's fight

From the Vice-Chairman, Shotton Works Council, British Steel Corporation

Sir,—It must amuse and at the same time bewilder the workforce at Shotton reading the various comments being made about Shotton steelworks. We hope political opportunists are not going to make political capital out of the Shotton fight for an integrated *steelworks*. The political facts are that the Conservative Government in 1971-72 agreed the closure of steel making at Shotton. The Labour Government pledged a review of the 10-year strategy plan in 1973. *This review* is still taking place.

The 10-year strategy plan envisaged by the late Lord Melchett and Dr. Finniston is dead. The plan itself evolved around five integrated steelplants situated around the coasts of Great Britain which would have produced 38m liquid tonnes per annum. *Within British Steel* Corporation we are averaging around 17m liquid tonnes per annum, below half the estimated tonnage when the 10-year plan was *envisaged in 1970. This has* come about due to overcapacity throughout the world, in particular third world countries which have embarked on ambitious steelmaking plants for their own countries.

The problem *facing* BSC *is* overcapacity within certain plants in this country. For example, gentle hints have been made that Ravenscraig in Scotland may supply Shotton with hot rolled coil, incidentally Port Talbot is no longer mentioned in BSC terms as supplying Shotton with hot rolled coil. This in effect would close down Shotton's steelmaking. If this theory, *for it is no more than a theory*, was put into effect, we would expect to receive presumably by rail approximately 1m tonnes per annum of semi finished steel *to* put into the best finishing plant in the world. We must ask ourselves at Shotton if this supply from Ravenscraig would be consistent and on time. If we *examine the track record* of Ravenscraig it fills our workforce with dismay. What it must do to our customers who are looking for Shotton steelworks to be their main *supplier is any*one's guess.

The way forward for Shotton steelworks is to remain an integrated steelworks to enable us to give our customers a first class service based on consistent *deliveries and quality*, that is Shotton's plan. Shotton steelworks is still the best integrated steelworks in the Welsh division and the most successful. To the *politicians we say do not* look and invent reasons to close our steelmaking, rather encourage and devise ways to keep us an integrated steelplant spearhead*ing the successful fight* back by BSC that we at Shotton are sure is to come.

D. Fellows,
Secretary,
Steel Campaign Committee,
Deeside.

Concealed tax increase

From Mr. A. E. Watson

Sir,—I have read a number of letters and articles on the suggested change over from road fund tax to petrol tax. While many, for instance like Mr. R. Ebbs (April 5), stress the cost of collecting *and* policing road fund tax all seem to accept *that some* form of annual registration will be necessary for the purpose of MOT tests and insurance and if there is registration presumably it will have to be policed if it is not to become a farce.

Is it to be supposed that the processing of a registration form accompanied by a *cheque* costs much more than dealing with the same form minus the cheque? A marginal difference for financial accounting perhaps but not, surely, a substantial percentage. If it is accepted that tests and *insurance checks* are essential the costs of polic*ing will presumably remain the* same.

In these circumstances, leaving aside the question of which method is more equitable, it seems clear that the vehicle owner is still going to have to find the cost of registration plus petrol tax. From previous experience it seems unlikely that *the cost of registration will be* underestimated in the calculation so that the net result could well be a concealed increase in taxation.

A. E. Watson,
12, Bourne Road,
Colsterworth,
Grantham, Lincolnshire.

Boxes and broughams

From Mr. David R. Currer

Sir,—It is difficult to hold out much hope for Britain's success in the microelectronic revolution when the most talked-about technological challenge in the *country today appears to be the* provision of enough tin boxes and printed paper to allow the citizenry to cast a democratic vote.

So far overlooked is the question of whether there will be sufficient horses and carriages available to carry people to the voting halls on May 3.

David R. Currer,
Flat 3, 116, Park Road
Farnborough, Hants.

Problems with the Revenue

From Mr. C. Dilloway

Sir,—Professors Constable and Heywood (April 4) both have problems with the Revenue. To an extent they contradict one another. Either we have more administration or less.

Professor Constable has a company. The Inland Revenue requires nil returns if he is not trading. No return is not the same as a nil return as any tax evader will tell you. Professor Constable has to complete and submit quite a proportion of the forms he has received. The Revenue wants them back.

Professor Heywood was misled as your report of March 31 did less than justice to the Revenue's paper "PAYE—possible future developments." The Revenue's paper "seeks to provide a store of information and analysis to assist the decision-making process." The decisions are taken by an independent organisation Professor Heywood seeks. It's called Parliament.

We now need informed discussion. Changes should and could be made. With 60,000 staff and 24m taxpayers the changes need to be very carefully thought *through.*

C. C. Dilloway,
Dilloway and Son,
Highcroft,
Gunhouse Lane,
Bowbridge,
Stroud, Glos.

Assess your own taxes

From Mr. J. Ross

Sir,—On April 4 you published letters from Professors Constable and Heywood. The latter suggests that the tax men do not like self-assessment because it would reduce their responsibility and status and numbers employed. I think that he is considerably oversimplifying the problem.

I have recently had to deal with a *Canadian tax form which* does involve self-assessment and I doubt if anybody is going to teach over 95 per cent of the 10m or so persons employed and within the PAYE regulations to fill in anything like that type of form in less than five years from now, unless the heaviest of penalties are laid down in the taxing statutes, which will have to be enforced *if they are to succeed.*

I am certain that the majority of people will merely throw up their hands in despair when they see such forms, and will not fill them in properly, if at all. What we are likely to see *is* the American system, whereby a commercial firm will set up offices in towns throughout the United Kingdom to complete forms on behalf of tax*payers for a fee*, and their work will then have to be checked by the tax man, which could well result in them spending as much time as they do under the *present system.*

It should surely be easy *enough* for the Inland Revenue to obtain a hundred or so blank forms from the American or Canadian Internal Revenues and invite comments on the *forms from interested persons* to see whether they are of the same opinion as myself.

Jack Ross,
16, John Dalton Street,
Manchester.

Oil crisis rising

From Mr. W. Whalley

Sir,—An event with far-reaching implications is taking place, unnoticed, before our very eyes. Oil production, world-wide, has passed a peak and turned down. Nothing we see indicates that the 1978 figure of 60m barrels a day will ever again be attained. The curve had been flattening for some years, despite important new additions from Alaska, the North Sea and of course Russia and China. A peak clearly was approaching in 1978, before the shutdown in Iran.

The inference is that the decline of older areas, such as the U.S., including even Texas, was acquiring a momentum which minor further increases in the former fields, or even in Arabia, cannot be expected to overtake. No dramatic flush-new discoveries are coming forward. No one foresees the production in the Gulf will return to 1978 levels in the near future, and even if it does the world 1980 figure, as well as 1979, would still be below that of 1978. Certainly the global decline will be *slow. However, we can see* that a loss of a few per cent a year would bite sharply into our accustomed way of life.

Surely it is now time to start examining where reductions in consumption may best be made. Preference, evidently, must go to agriculture for fuel and fertilisers. Aviation is an obvious candidate for curtailment. The *flying of part-empty planes on* parallel routes is indefensible in a time of fuel shortage. Holiday flights are bound to come under pressure. Continuance of work on a third London Airport is frivolous in the circumstances. The long-foreseen and often-derided oil crisis is now upon us.

W. C. R. Whalley,
105 High Street,
Hungerford, Berks.

Today's Events

GENERAL

UK: Mr. James Callaghan *tours* High Peak, Stretford, and Moss Side constituencies; addresses rally in Stockport.

Liberal election manifesto.

Sir Freddie Laker signs multi*million contract for* European airbuses.

Overseas: Mr. Josip Vrhovec on official visit to Ireland (until April 11).

COMPANY RESULTS

Final dividends: Aberthaw and Bristol Channel Portland Cement. Aquascutum and Associated Companies. Armitage Brothers. Associated Biscuit Manufacturers. Astbury and Madeley (Holdings). Britannia Arrow Holdings. Channel Islands and International Investment Trust. Cliffords Dairies. Combined English Stores Group. Dickinson Robinson Group. *Fothergill and Harvey.* Gill and Duffus Group. Hewden-Stuart Plant. Higgs and Hill. S. Jerome and Sons (Holdings). London and Provincial Poster Group. Albert Martin Holdings. Mettoy Company. Minet Holdings. Municipal Properties. B. and I. Nathan. Provident Life Association of London. Rhodesian Corporation. Rosedimond Investment Trust. Riberoid. Selection Trust. John C. Small and Tidmas. G. W. Sparrow and Sons. Interim dividends: William Bolton Group. M. P. Kent. Smiths Industries.

COMPANY MEETINGS

Anglo-International Investments, 20 Cannon Street, EC, 12. Berisfords, Buglawton Park Recreational Centre, Congleton, Cheshire, 11. English and New York Trust, 20 *Fenchurch Street*, EC, 3.45. *First Scottish American* Trust, Belsize House, West Ferry Dundee, 12. Greenfields, Regent Suite, Churchill Hotel, Portman Square, W, 12. IMI, Midland *Hotel, New Street, Birmingham*, 12. Tace, Essex Hall, Essex Street, WC, 3.

OFFICIAL STATISTICS

Central Government transactions (including borrowing requirement) for March. London clearing banks' monthly statement *for mid-March.* UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits for mid-March. Provisional figures of vehicle production for March.

UK COMPANY NEWS

New product delays leave Glaxo down and waiting

MARGINAL 2.2 per cent growth in trading surplus and a more than £5.5m adverse movement in the net interest figure, left Glaxo **Holdings** showing a £3.76m decline in taxable profit to £36.5m for the six months to December 31, 1978. Sales by the pharmaceutical, food and medical equipment producer were £15.8m up at £268.2m.

The modest rise in group sales and trading profit is an indication that new products are not yet contributing significantly to results, the directors say. This is because of the lengthy and expensive procedures required by national authorities before permission to market products is given.

In the meantime the company is strengthening its manufacturing and research resources for future expansion.

Interest charges were higher this time because of acquisition costs in the U.S. In addition, without the substantial gains on selling Gilts seen in 1977, investment income was lower leaving a net interest outgoing of £2.2m, compared with a credit of £3.36m.

Tax, little changed at £20.4m (£20.8m), left earnings per 50p share at a stated 18.5p (22.1p), or 17.6p (21p) fully diluted. The net interest dividend is stepped up to 5p (4.5p)—a net final of 6.9p was paid for 1977-78 from profit of £86.4m (£87m).

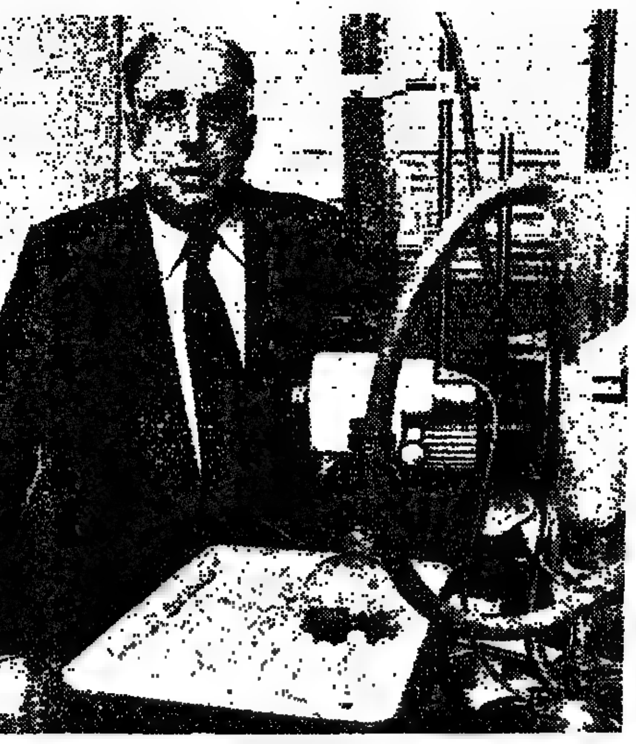
Group sales, excluding wholesaling by Vestric, were 4½ per cent ahead at £197m with the overseas content up 4 per cent at £154m and a 6 per cent advance to £43m in the UK. Exports were 10 per cent better at £64m. In the UK Vetric's turnover was 11 per cent up at £80.5m.

Changes in foreign exchange rates continued to put pressure on export profit margins and reduced the sterling value of overseas subsidiaries sales by £8m and their profits and net current assets by £1.6m.

Including 40 per cent of the profits of the former Nigerian subsidiary the share of associates surplus was £1.5m (£0.5m).

Minorities of £0.5m (£0.76m) left attributable profit at £15.6m (£18.7m).

See Lex



Mr. Austin Bide, chairman of Glaxo, photographed in the Greenford's laboratories.

HIGHLIGHTS

Lex looks at Glaxo where first-half profits have slipped back, competition is high and the benefits from important new drugs are proving slow to come through. **Rowntree Mackintosh** has produced only modest growth for 1978—a year of intense competition from major competitors like Cadbury Schweppes and Mars. Lex also looks at two international subjects. In Canada there was a dramatic turn of events when **Brascan** put in a bid for the U.S. **Woolworth** company only to find itself on the receiving end of a partial bid from the Bronfman and Patino families. In Germany **Bayer** is last of three major chemical groups to report on 1978, and Lex sums up the picture. Elsewhere, **Hambro Life** produced better than expected figures and the price shot up 65p to 580p yesterday and **Blackwood Hodge** reports higher full-year profits.

Aurora boosted by strong second half

A GOOD second half performance, giving profits of £2.66m against £1.45m, boosted **Aurora Holdings**, general and precision engineer, to a record £4.31m pre-tax for 1978 compared with a previous £2.51m. Turnover was more than doubled from £31.1m to £66.6m.

The directors state that the integration of Samuel Osborn, acquired in June, 1978, has been successfully completed and all divisions are now contributing to profits. Its contribution came to £1.4m, after interest charges on the acquisition cost.

Pre-tax figure was struck after interest of £1.55m (£624,000) and subject to tax of £1.31m (£908,000) leaving an attributable balance of £2.58m against £1.5m.

Earnings are shown as 16.9p (22.1p) per 25p share on increased capital, and the dividend is lifted from 5.28p to 5.896p net with a final of 4.416p.

● comment

The major factor in *Aurora's* buoyant 1978 performance is the the inclusion of recent acquisitions. Samuel Osborn, the special steels group, added £24.1m to sales and £1.4m to pre-tax profits, though it also squeezed overall margins and led to the jump in interest charges. Coltness, acquired in July, 1977, contributed £750,000 to group profits in its first full year (£350,000 for five months of 977). But there was also some organic growth from traditional operations, particularly from the fastener division and the quality machine tols distribution activities. The group now has its sights firmly set on expansion via the U.S. and will shortly announce the acquisition of a small U.S. company. The shares, at 99p, are on a p/e of 5.6 and a yield of 9.3 per cent which is a relatively undemanding rating given the spread of group activities and the strengthening of the balance sheet that followed the sale, for £4.5m, of Osborn's South African subsidiary earlier in 979.

Competition slows down Rowntree profit growth

TOTAL SALES of Rowntree **Mackintosh**, the chocolate and sugar confectionery group, increased by 20 per cent to £563m in 1978 but, taking account of severe competition, trading profits came through 10 per cent ahead at £51.7m with margins down from 10 per cent to 9.2 per cent.

At the pre-tax level profits showed a rise from £41.49m to £45.07m, of which £32.56m (£29.49m) accrued in the second half.

	1978 £000	1977 £000
Turnover	562,705	469,212
Trading profit	51,728	46,935
net interest paid	6,658	5,442
Profit before tax	45,070	41,493
Taxation*	8,118	9,120
Net profit	36,952	32,373
Minorities and pref. dividends	1,704	1,675
Attributable ord.	35,248	30,698
Extraord. debits†	999	388
Leaving	34,249	30,310
Ordinary dividends	7,020	3,528
Added to reserves	27,229	26,782

* No provision made for deferred tax in respect of timing differences as such tax unlikely to be payable in foreseeable future. All comparative figures have been adjusted. † Adjustment on translation of overseas net assets into sterling.

Sir Donald Barron, chairman, reports that in the UK confectionery division volume increased by 5 per cent and there was a further increase in market share. Severe competition, however, led to some reduction in margins.

The associated companies division had an exceptionally good year but the grocery side, while increasing sales in volume and value, was hit by depressed margins common to the UK grocery trade.

Sales outside the UK again represented 47 per cent of the group total in 1978. Exports from the UK amounted to £61.3m, an increase of 23 per cent which was achieved in a much less favourable climate than in 1977.

The European division increased its sales value and volume with consequent higher market shares. Profits improved marginally. The overseas division had a very satisfactory year with record sales and profits.

The chairman says that the current year did not start well. Supplies of raw materials and the group's own deliveries to UK export and European markets were affected, in some cases seriously, by the transport drivers' strike.

Earnings per 50p share are shown to be up from 68.5p to 70.3p The final dividend is 8.5p as forecast at the time of the May 1978 rights issue, taking the total up to 13p compared with 8.1675p. It is also proposed to capitalise £27m of reserves in a one-for-one scrip issue.

During 1978 the group continued its programme of heavy expenditure on fixed assets spending a gross total of £41.6m against £23.8m in 1977. Some £26m was in UK locations and £15.6m outside the UK. The 1979 capital expenditure budget amounts to £53m.

A statement of source and application of funds shows that the group financed the greater part of growth requirements — a total of £62m for fixed and working capital — from its own resources. With the benefit of the £36m rights issue, the net cash position improved by some £17m.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Aurora	4.42	May 18	3.96	5.9	5.28
A. and C. Black	3.39	—	2.9	5.39	4.9
Blackwood Hodge	1.29†	May 25	1.07*	2.26	1.94*
Bryant Hldgs. ...int.	1.04	May 31	0.95	—	2.51
Collett Dickenson	1.91	June 11	1.71	3.65	3.27
Dares Estates	0.5	July 1	0.5	0.75	0.5
Dorada Hldgs.	3.21†	May 25	2.92	5.03	4.58
Edinburgh Inv.	4.4	June 20	3.55	7.8	6.75
Glaxo ...int.	5	June 22	4.5	—	11.4
Greenbank	0.69	May 21	0.61*	1.34	1.2*
Hambro Life	17.8	June 5	14.6	23.8	20.22
Highland Dist. ...int.	0.55	June 7	0.5*	—	1.61*
Joseph Holt	1.76	May 31	1.51	2.43	2.17
Huntleigh	0.39	—	0.34*	0.76*	0.67*
London Pavilion	12.5	May 30	12.5	21.5	12.5
Manor National	0.67§	May 18	—	0.67	—
Richards (Leicester)	2.75	June 1	2.6	4.25	3.55‡
Rowntree	8.5	July 11	5.42	13	8.17
Wilmot-Breeden	2.24	July 2	1.88	3.44	3.08

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes additional 0.0385p for 1977 now payable. § Equal to 3.2p gross taking into account dividends already paid by Manchester Garages and Oliver Rix.

EQUITY AND LAW

Mr. P. D. Cox, chairman of **Equity and Law Life Assurance Society** points out that although the company still wrote a substantial amount of business on young lives, there had been, as anticipated, a reduction in certain types of business following the change in commission structure. But these had been more than replaced by other business and the company now wrote a wider spread. It was intended to expand the range of unit linked products with the launch of a linked individual pension policies.

Wilmot-Breeden up in Europe but hit by U.K. motor strikes

IN LINE with last month's projection, **Wilmot-Breeden (Holdings)**, engineering products manufacturer, increased 1978 sales ?? per cent to over £100m, but pre-tax profits dropped from £5.64m to £4.23m, after a £1m fall to £1.82m at half-way. The result was after charging reorganisation and redundancy costs of £1.35m against £0.15m.

The company is subject to an offer from Rockwell International Corporation, but the directors have announced that they regard the proposed offer as inadequate and advise shareholders to take no action in relation to it. Rockwell has offered 115p per share in cash.

With stated 1978 earnings lower at 8.9p (13.6p) per 25p share, the dividend total is raised 10 per cent from 3.08157p to 3.441p net, covered 2.6 times.

The directors explain that almost the whole of the sales increase took place in Europe, while UK sales were seriously affected by the lengthy strikes at Ford and BL.

They estimate the cost of the prolonged strikes in the UK motor industry to have reduced profit by about £0.75m.

Profits before interest were down from £6.75m to £5.59m, of which 80 per cent were earned abroad. However, mainly arising from a reduced tax charge, at £2.18m (£2.62m), and extraordinary credits of £94,000 (£1.19m debits), the amount retained rose by £0.23m to £1.23m.

Increased turnover and profits of the French company again reflected the greater stability and steady growth of the French motor industry, the directors state. First deliveries were made during the year from the company's French factories to German customers such as VW/Audi.

In the UK car components division, further major steps have been taken to reduce costs and to restore profitability at current levels of demand.

The electronics activities returned to profitability after several years of losses, following a major reorganisation and the disposal at the end of 1977 of the Ferrograph subsidiary.

While the fan division of Truflo had another good year and the valve activity improved progressively, aerospace was held back by a lack of orders for delivery during the year. This position has now greatly improved, the directors add.

Teleholst, after a buoyant start to the year, suffered from a fall-off in demand from export markets in Africa and the Middle East.

ACS Engineering, acquired towards the end of 1977, started to show the benefits of a reorganisation concentrating engineering, production and sales activities on one site.

In Australia, the company felt the combined effect of a reorganisation of production to accommodate the new marine fittings range and delays in the introduction of new car models.

Louis Edwards to close meat canning side

Only four months after he took over the management of **Louis C. Edwards and Sons**, Mr. James Gulliver has decided to close down the loss making meat canning business.

Closure will come at the end of April and full provision for the losses and redundancies will be made in the accounts for 1978 which are due out shortly.

The news sent Edwards shares up 6p to 59p.

Sales of canned meats for the year just ended amounted to £1.7m under both the company's own Crown label and "own label" names for customers. This represented less than 10 per cent of total sales of more than £18m. In 1977 total sales were £20m.

The group believes that the closure will free some £750,000 of assets, both fixed and current, net of all liabilities, which will be sold to strengthen the group's cash position.

Edwards has had a chequered career throughout the latter part of the decade and in December announced its worst ever pre-tax losses (£264,000) for the first six months of the year.

Greenbank advances to £2.28m

TAXABLE PROFITS of **Greenbank Industrial Holdings**, engineer and property developer, rose from £2.16m to £2.28m in 1978, on higher external sales of £11.11m against £8.33m.

At halfway, the directors said the improved trading profit, up from £688,981 to £801,773, indicated another satisfactory year without the additional benefit of substantial foreign exchange gains.

Tax for the year took £1.2m (£1.15m)—tax provisions released £33,355 this time. The net total dividend is effectively raised from 1.19643p to 1.335p per 10p share, with a 0.685p final. A one-for-four scrip is also proposed.

There is an exchange loss this time of £24,506. Pre-tax profits included investment income of £161,568 (£151,822), and were struck after depreciation of £148,536 (£98,827).

£1.53m for Collett Dickenson

A £0.22m downturn in the second half at **Collett, Dickenson, Pearce International**, advertising agency, left 1978 pre-tax profits at £1.53m against £1.39m. Turnover, including associated companies, was well ahead from £43.65m to £55.37m.

After tax for the year of £960,492 (£925,758), net profit came through at £566,464 compared with £460,501. The net final dividend is stepped up from 3.2686p to 3.65p per 10p share, with a 1.9119p final.

The extraordinary debit of £236,293 (£472,743) includes a loss of £163,591 (£70,810) arising on disposal and revaluation of shareholdings in subsidiary and associated companies including KVH Holding BV.

Dorada finishes ahead at £1.6m and makes good start to year

AFTER £550,000 against £406,000 at six months, taxable profits of **Dorada Holdings**, motor vehicle distributor and engineer, finished 1978 up from £1.16m to £1.61m on turnover of £59.77m compared with £51.06m.

Mr. Thomas Kenny, chairman, says that despite the lorry drivers' strike and the bad weather, the group did better in the first quarter of the current year than last year, and at this stage he says the outlook for 1979 appears encouraging.

"I expect we shall continue our progress," he adds.

On capital increased by last September's rights issue gross earnings per 25p share, based on operating profits of £1.44m (£1.05m), are stated as 30.2p against 24.4p.

The dividend is increased by 10 per cent from 4.57525p to 5.03p with a net final payment of 3.21p, compared with a forecast 3.28p. Also proposed is a one-for-10 scrip issue.

Pre-tax figure for the year included an exceptional credit of £327,000 (£340,000), being the net surplus on property sales, less £163,000 (£229,000) exceptional costs.

Mr. Kenny says that the group's two main suppliers, Ford and Vauxhall were both affected by strikes in 1978 and as a result the group lost much profit.

All subsidiaries in the motor group section traded profitably especially Croft, in Scotland. And further improvements are being made to the dealership in Huddersfield.

Most of the credit for the 56 per cent rise in the engineering side profit goes to Wicksteed at Kettering, the chairman states. Bo'ness foundry in Scotland is starting to show promise, he says, and the directors are sufficiently confident of the outlook that further capital expenditure is planned on the site.

● comment

After serious strikes at Ford and Vauxhall, two principal suppliers, Dorada has not been able to do very much more than hint at what it might make in a year free of industrial disruption, for supplies were down by a third on 1977 levels, or the equivalent of some 300 new vehicles each month. As it is, trading profits from vehicle disruption climbed by 14 per cent and much of the upturn in the overall surplus can therefore be attributed to a fall in interest charges following the September rights issue and a recovery by the engineering division. Wicksteed was largely responsible for the engineering upturn while the Bo'ness foundry probably cut losses by £40,000 last year and is on target to return to profits this time. Relocation of the Ford dealership network in Scotland is now mostly over but prospects for the current year rest heavily on the level of new registrations and unbroken vehicle production. On a fully taxed historic p/e of 7.6 and a yield of 7.9 per cent the shares, up 6p yesterday to 98p, are not over-expectant.

Blackwood Hodge reaches £18.2m in mixed year

MAINLY DUE to a recovery in Europe and a sharp increase in North America, which offset falls in some other areas, profit, before tax, of Blackwood Hodge, the earthmoving equipment group, increased by 9.3 per cent *to £18.2m in 1978. This is in line* with the forecast of not less than £18m made at the time of the July 1978 rights issue.

Sales amounted to £273m against £282m, the drop being entirely due to exchange rate *movements. The pre-tax margin* on sales improved from 5.9 per cent to 6.6 per cent reflecting a changed sales mix which resulted in improved gross margins and a *reduction in interest costs*—down from £9.3m to £8.8m.

In the UK, sales reached a record £82.25m. (£71.63m) but trading profits were little changed at £10.42m (£10.1m) due to lower margins. A turnround from a loss of £0.95m to a profit of £1.06m in Europe reflects benefits of reorganisation and management changes over the past two years.

Sales in *Africa were reduced* from £68.55m to £59.67m because of customers' financing and cash flow problems in some areas and political problems in others. *Profits were down from £11.73m* to £9.49m. In Australia a drop in sales, mainly due to exceptional orders in early 1977, and increased costs, left profits down *from £2.72m to £1.29m.*

Although trading conditions in North America remained difficult, turnover improved in local currency terms and profits advanced *from £2.17m to £4.28m.*

On current trading the directors feel that the general *outlook for 1979 remains uncertain* but they believe it should be a satisfactory year.

Basic earnings per 25p share for 1978 are shown at 10.92p *(10.2p)* and at 10.11p *(9.42p)* fully diluted. As promised the final dividend is 1.29234p on capital increased by the rights issue. *Adjusting for the scrip* issue last April this effectively raises the total from 1.936p to 2.26p.

A fourth scrip issue, this time on a one-for-ten basis, is also proposed. The directors expect to recommend a 10 per cent increase in current year dividends.

	1978 £000	1977 £000
Group sales	273,430	282,274
Profit †	33,781	32,215
Depreciation	6,805	6,289
Interest	8,804	9,297
Profit before tax	18,172	16,629
Taxation*	9,502	8,544
Net profit	8,670	8,085
Minorities	1,323	1,592
Leaving	7,347	6,493
Tax written back	3,000	5,035
Extraord. debits†	2,583	3,265
Attributable	7,764	8,263
Dividends	1,605	1,255
Retained	6,159	7,008

* Including deferred tax £2.96m (£2.42m). † Deficiency on conversion of overseas net assets into sterling at *year-end exchange rates.*

In Nigeria results for 1978 reflect the group's 60 per cent interest in *Blackwood Hodge* (Nigeria). Since the year-end the equity participation has been reduced to 40 per cent and Blackwood Hodge (Nigeria) will be treated as an associate in group accounts as from January 1, 1979. A provision of £1.5m has been made for the reduction in the group's interest in this company.

The group's net current asset position improved during the year by *£21.6m to £54.1m.* In order to obtain this improvement medium-term borrowings were increased by £12.6m to £13.84m.

At December 31, 1978 group *net assets* employed amounted to £85.7m, an increase of £10.8m. The book value of net assets attributable to ordinary holders was £64.6m equivalent to 90p per share.

● comment

Blackwood Hodge's results show the usual gyration between geographical areas; this time it is Canada that has returned to a sensible level of *profitability*, while a £2m turn-round in the European operation has made up for a difficult year in Africa. But volume sales are down, and growth is not going *to come* easily. A welcome refinancing has reduced short-term debt but borrowings as a whole are slightly up, as the very tight stock control seen in 1977 seems to have relaxed a little. However, the increase in equity *stemming from the 1978 rights* issue means that the overall gearing, although still very high, will have been reduced. The company is hopeful about the *prospects for mining* orders, now that raw material prices are higher, but the importance of Africa as a high-margin profit source (35 per cent of group *trading profit in* what was for Africa a relatively poor year) lowers the quality of the group's earnings. At 59p, up 3p, the shares yield 5.8 per cent on a *cautious p/e of 5.7.*

Highland Dist. up to £1.92m

ON TURNOVER well ahead from £21m to £29.74m pre-tax profits of Highland Distilleries advanced from £1.71m to £1.92m in the half-year to February 28, 1979.

The directors say sales of "Famous Grouse" in the UK continue to show good growth; developments of an up-market brand takes time and investment, they add, *and in a number of* overseas countries there are promising signs for the future. Sales of new and mature whisky are at a comparable level to last year.

Tax for the half-year took £188,000 (£16,000). The net interim dividend is effectively raised from 0.5p to 0.55p—last year's total payment was equivalent *to 1.612p on taxable profits* of £4.08m.

The depreciation charge amounted to £182,000 (£168,000). Comparisons have been adjusted in accordance with SSAP 15.

● comment

Highland's continuing strong sales figures — up 42 per cent *in the first half — reflects further* market penetration for the company's "Famous Grouse" brand of whisky. However, little of this is showing up in profits yet because of the *higher* costs associated with promoting it in England and Wales. *On top of* increasing production at the Glenrothes distillery, the company's *"Famous Grouse" brand* anticipation of future demand and also financing duty payments on current sales. This, at a time when interest rates jumped markedly, has resulted in a sharp increase in charges and profits only show a rise of just over 12 per cent — much in line with expectations. This pattern is likely *to continue in the* short term as borrowings rise. The outlook for the full year is for profits of around £4.6m (£4.1m) which, taking a line *through the interim tax charge*, puts the shares, at 96p, on a prospective p/e of just under 6 while the yield is 2.8 per cent.

Yorkshire Spinners on target

Profits before tax of Yorkshire Fine Woollen Spinners increased from £17,382 to £115,632 for 1978, compared with the forecast of not less than £100,000 made at halfway and reaffirmed in November at the time of the rights issue. Turnover was lower at £4.05m against £4.35m.

The full year result comprised *trading profits of* £134,702 (£49,772) from continuing businesses, reduced by losses of £19,070 (£32,390) from its former subsidiary, Dauntcroft.

Although 1979 started with considerable disruption caused by the lorry drivers strike and the bad weather, the directors say the company has made a better start than in 1978.

Tax charge takes £62,380 (£9,450). There were extraordinary credits of £13,178 (£30,262), including £13,680 (£9,240) tax credits, leaving net profits ahead from £38,194 to £65,980.

Earnings per 20p are shown well up from 0.22p to 4.78p, while the maximum permitted net dividend of 2p (1.8168p) has already been paid, on increased capital.

Profits in both woollen spinning and dyeing and finishing improved considerably in the second half of 1978, the directors report.

They plan to use the increased capital to develop both companies; in woollen spinning to improve machinery for finer yarns and to finance more expensive raw materials; in dyeing and finishing t reduce fuel costs and to keep abreast of latest machinery developments.

Dares Estates up to £0.29m

The directors of *Dares* Estates, builder and property holder, report *pre-tax profits up from* £48,000 to £290,000 in 1978, on higher turnover of £3.95m, against £2.47m.

At halfway, the surplus jumped from £8,689 to £102,354 and the directors anticipated improving profits for the year.

There is a tax credit for the year of £9,000 (£40,000). Stated earnings per 10p share increased from 1.32p to 3.85p, and the net total dividend is stepped up from 0.5p to 0.75p, with a 0.5p final.

The directors say the dividend reflects the group's *continuing progress, and they are* confident this will be maintained.

Pre-tax profits were struck after debenture interest of £45,000 (£47,000) and loan stock interest of £38,000 *(£39,000). Extraordinary* credits totalled £104,000 (£191,000).

Joseph Holt rises to £802,505

An increase in taxable profits from £755,625 to £802,505 in 1978 is reported by Joseph Holt, brewer and wine and spirit merchant.

At the interim stage, profits were up *from* £394,215 *to* £354,564.

Tax for the year took £373,829 compared with £355,091 previously. The net final dividend is lifted *from* 1.3142p *to* 1.7578p per 25p share, making 2.4278p (2.1742p).

BIDS and DEALS

Amalgamtd. Power £1.4m purchase

Amalgamated Power Engineering, the manufacturer of steam turbines, air and gas compressors, gears, pumps and valves, has made an agreed bid worth £1.4m for **Lee Howl**, a pump maker.

The offer, which is being made by Hill Samuel on behalf of Amalgamated, gives £6 in cash or £6 nominal of Amalgamated's convertible unsecured debentures 1988.

The debentures will be repayable at the option of the holder at any time, on giving 30 days' notice, and in any event not later than December 31, 1988.

They will carry the right to convert into ordinary shares of 25p each in Amalgamated on the basis of one Amalgamated ordinary share for every £2 nominal of debentures.

For each Lee Howl 6 per cent (now 4.2 per cent net) £1 cumulative preference share, Amalgamated is offering 70p in cash.

Lee Howl is a public unlisted company which was established in 1880.

For 1978 Lee Howl reported taxable profits of £228,000 on turnover of £6.45m. In the balance sheet net tangible assets stood at about £1m.

LMI EXTENDS AGAIN

London and Midland Industrials, which yesterday announced that further acceptances had increased its share in *Caledonian Holdings* to 44.3 per cent, has extended its offer for the company until April 17. This is only half a point above the acceptances it had received a week earlier.

LMI is running neck and neck with rival suitor *Comet Radiovision Services*, which last week increased its cash offer for Caledonian to just over 174p per share, compared with LMI's 162p. Both companies have made alternate cash and share offers roughly equal to each other.

As of last Friday Comet owned 39 per cent of Caledonian's shares.

GLOBE STAKE IN GOSFORTH

Globe Investment Trust has bought a 6.5 per cent interest in **Gosforth Industrial Holdings**, the ship repairing, engineering construction and insurance company formed out of the non-nationalised interests of Swan Hunter.

The bulk of Globe's 1.2m shares appear to have been acquired from Sears Investments which has reported the sale of 1.1m shares.

ELECTRONIC MACHINE

Mr. J. P. Lobbenberg has increased his beneficial interest in **Electronic Machine** to 475,000 shares (19.38 per cent).

He purchased 50,000 shares on March 29, 25,000 on March 30 and 25,000 on April 3.

MFI APPROVAL

"Trading has been good and turnover for the first three months of 1979 was well ahead, not only for the corresponding period last year, but also of our current budgets," Mr J. W. *Seabright, joint managing director of* **MFI Furniture Centres**, told shareholders after an EGM.

At the meeting shareholders voted 80.6 per cent in favour of the proposed group re-organisation.

Official Stock Exchange dealing in the new holding company are expected to begin on June 4.

WILLIAMS & GLYNS

Williams and Glyns Bank is *transferring the management of* the equity stakes it holds in small companies to Development Capital, the small business group backed by Co-operative Insurance, Electra Investment Trust, the Coal Board Pension Fund, and Commercial Union.

Williams and Glyns will continue to own the shares, but it is likely that it will pass further opportunities for equity investment to Development Capital.

TERRA NOVA MERGING

Agreement has been reached in principle for the merger of **Terra Nova Insurance Company of London and Intercontinental Reinsurance Company of Bermuda**.

Terra Nova is at present a wholly owned subsidiary of **C. T. Bowring**, and will be acquiring the capital of Intercontinental in exchange for its own shares. Intercontinental at present has a wide spread of institutional and private shareholders. After the merger, planned to be completed by January 1, 1980, C. T. Bowring will own 16.47 per cent of the enlarged capital of Terra Nova—the largest *single shareholding*.

After the merger, the combined net premium income, net of reinsurance, will total £46m on 1978's trading results. The consolidated net assets will exceed £24m. Reinsurance accounts for over 95 per cent of Terra's business and the whole of Intercontinental's. The merger will strengthen the assets base of Terra and allow for further growth.

ACC OFFER UNCONDITIONAL

The offer by **Associated Communications Corporation** for **Intereuropean Properties** has been declared unconditional. With shares acquired during the offer period, ACC now has 94.37 per cent.

THORN SALE

Thorn Electrical Industries has sold a subsidiary—Herringshaw Steels—to British Steel Corporation in a deal worth £3.5m.

Herringshaw is engaged in alloy and bright bar steel stockholding. It is to form part of British Steel Service Centres, the British Steel stockholding group.

The company will continue to trade under the Herringshaw name and existing management.

EXPANSION BY RMC OFFSHOOT

Scottish Aggregates a subsidiary of Ready Mixed Concrete, has acquired the assets, including all stock, of the sand and gravel division of **John Rhind (Farms)**.

The acquisition has effectively doubled the number of sand and gravel plants operated by Scottish Aggregates and marks its introduction into the Grampian region.

In addition to the five aggregate processing and distribution plants, the purchase includes a pre-cast concrete brick and block factory at Strichen.

Banro to merge Pref. shares

Banro Consolidated Industries proposes to merge its 5 per cent and 7 per cent preference shares into one class of preference share.

It is proposed that the fixed cumulative dividend payable on the new preference share should be of an increased amount of 5 per cent net per annum, with effect from May 1, 1979.

It is intended to capitalise £52,000 from reserves by the issue to second preference holders of 52,000 new preference shares in proportion of two for five.

The directors intend to raise their borrowing limits to a sum not exceeding in aggregate one-and-a-half times the paid up share capital of the company and the consolidated reserves of the group.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: William Boulton, M. P. Kent, Smiths Industries.

Finals: Aberthaw and Bristol Channel Portland Cement, Aquascutum, Armitage Brothers, Associated Biscuit Manufacturers, Astbury and Madeley, Channel Islands and International Investment Trust, Charles Clifford Industries, Combined English Stores, Dickinson Robinson, Fothergill and Harvey, Gill and Duffus, Hewden Stuart Plant, Higgs and Hill, S. Jerome, London and Provincial Poster, Albert Martin, Mettoy, Minet Holdings, Municipal Properties, B. and I. Nathan, Provident Life Association of London, Rhodesian Corporation, Rosedimond Investment Trust, Ruberoid, Selection Trust, John C Small and Tidmas, G. W. Sparrow.

FUTURE DATES

Interims—	
Burton	Apr. 11
Dunbee-Combex-Marx	†Apr. 17
Linread	Apr. 24
Finals—	
Atlas Electric and General	May 10
Bank of Ireland	May 17
Benford Concrete Machinery	Apr. 12
Bifurcated Engineering	Apr. 12
Bradwall (F.M.S.) Rubber Est.	Apr. 11
Clive Discount	Apr. 19
Dewhirst (I. J.)	Apr. 18
England (J. E.)	Apr. 11
Flight Refuelling	Apr. 26
Hoveringham	Apr. 26
Northern Engineering	Apr. 19
Pearson Longman	Apr. 18
Pearson (S.)	Apr. 18
Ready Mixed Concrete	Apr. 19
Reed Executive	Apr. 17
Scottish Mortgage and Trust	Apr. 19
Smith St. Aubyn	Apr. 25

† Amended.

WILLIAMSON TEA

The Board of Williamson Tea Holdings, states that negotiations with the Indian authorities under the Foreign Exchange Regulation Act have now ben virtually completed.

A circular will be sent shortly to shareholders giving full information on the terms approved by the authorities for the transfer of the group's Indian business to George Williamson (Assam) with effect from December 31, 1977.

MINING NEWS

Pancontinental offers to go underground

BY KENNETH MARSTON, MINING EDITOR

DETERMINED to find a way of overcoming environmental objections to the development of its uranium deposit in Australia's *Northern Territory*, Pancontinental has suggested to the Arbitration Commission in Sydney that an answer could be in working the deposit by underground methods as opposed to open-pit operations.

Jabiluka is the Northern Territory uranium project most strongly opposed by the Aborigines because of its size and fears about the ecological impact of an open-cut mining operation.

Pancontinental says that during the period of preparation of its final environmental impact statement on Jabiluka, it has reassessed the impact of the project both visually and in terms of the expressed concerns of the affected Aboriginal people. And it has concluded that the alternative of underground mining is both feasible and attractive.

The advantages are: a major decrease in physical disturbance *of land areas; elimination of* schist and sandstone waste dumps; the siting of plant facilities well away from the Magela Creek and Aboriginal sites of significance; a much smaller tailings pond because much of the waste would be put underground; no release of water into Magela Creek; and reduced levels of noise, dust and radon gas emanation.

Pancontinental adds that the detailed examination of underground mining methods has included the sending of a study group of consultant experts in mining, industrial and radiation safety fields to North America where more than half the existing uranium mines are worked by underground methods.

Underground operations tend to be more costly than those on the surface but still yield good profits at far less attractive deposits than that at Jabiluka. *A more important factor as far* as Pancontinental is concerned, is the need to avoid any further delay in making a start to mining.

The ball now appears to be back in the ecologists' court and finalisation of the Jabiluka environmental impact statement will follow continuing consultations with the federal and NT governments and the Northern Land Council which represents local aboriginal landowners. Jabiluka is 65 per cent-owned by *Pancontinental and* 35 per cent by America's Getty Oil. Pancontinental shares were at a year's low of 700p yesterday.

* * *

The U.S. customer, which takes some 48 per cent of the uranium production of the **Rio Tinto-Zinc** group's **Mary Kathleen** mine in Australia, has been considering whether it was free to make further payments for the material in the light of the preliminary injunction granted *to Westinghouse Electric* Corporation in the U.S. anti-trust proceedings brought against Mary Kathleen and 28 other companies. Mary Kathleen now says that following steps recently taken by the customer in the U.S. it is believed the problem has been resolved. Consequently, Mary Kathleen expects to receive payments and resume normal shipments under the contract in the near future.

The RTZ group's big Rossing uranium mine *in Namibia* (South West Africa) is now close to its target annual production rate of 5,000 tonnes of uranium oxide a year. Output in 1977 totalled 3,000 tonnes and it was hoped to raise this figure to 4,000 tonnes in 1978 but the hopes were dashed by a fire in May which destroyed one of the two solvent extraction plants.

STEADY OUTPUT AT GOPENG

The Malaysian tin producer **Gopeng Consolidated** sustained its recent high level of output through to March when production for the month totalled 162 tonnes of concentrates. This brings the six months total up to 970.5 tonnes compared with 847.25 in the same period of last year.

	March tonnes	Feb. tonnes	Jan. tonnes
Gopeng	162	157½	158¾
Tanjong	13½	12½	15
Idris	24½	21	20½
Pengkalen	12¾	4½	½

Pengkalen's output for the past month recovered to 12.75 tonnes after falling away in January and February owing to the shut down of the dredge for repairs from January 2 to January 25 and to the dredge working to flotation depth only during February.

Comparative output figures for the group are shown in the *accompanying* table.

A better year for Northgate

AFTER having survived a difficult year in 1978 when operations of the Irish Tynagh lead-zinc mine in County Galway were halted for almost half the period by a labour dispute, Canada's **Northgate Exploration** should see an improvement *in its fortunes* this year.

The directors point out in the annual report that regular mine production commenced in late February and that the now buoyant metal prices should have a "positive impact" on earnings if uninterrupted production is maintained.

Because of the earlier shut down, the previously expected final termination of operations at the nearly worked-out mine has been put back from end-1979 to the second half of 1980.

Meanwhile, the big zinc-lead mine at Navan which is 75 per cent-owned by **Tara Exploration**—in which Northgate has a 9.97 per cent shareholding—is expected to reach its planned annual production rate this year of 400,000 tonnes of zinc concentrates and 70,000 tonnes of lead concentrates.

Backed by strong finances—quoted investments were worth C$34.4m (£14.3m) at the end of 1978—Northgate is looking for new opportunities in the natural resource field. Energy related investments are being given priority and a transatlantic oil and gas exploration deal has been entered into with Mission Oil and Gas, a new private company. Northgate shares were 18p down at 350p yesterday.

MINING BRIEFS

ANGLO AMERICAN CORPORATION—Coal division sales output for March (figures in metric tons) Republic of South Africa: Bituminous—Anglo American Coal Corporation 2,699,450. Other collieries: Vierfontein 131,132, Zuinguin Natal 33,094; Anthracite: Natal Anthracite 81,335. Rhodesia—Wankie Colliery (coal) 176,997, (coke) 15,494; Swaziland—Swaziland Collieries 25,610; Botswana—Morupule Colliery 28,781. Group total 3,191,873.

KILLINGHALL TIN—Output for March 31¾ tonnes (February 14 tonnes).

Housing side helps Bryant to £2.6m at halfway

INCLUDING associates companies profits of £585,000, against £130,000 losses last time, taxable profits of Bryant Holdings were well up from £1.17m to £2.68m for the half year to November 30 1978 and the directors are confident of record results for the year.

Pre-tax profits for the 1977-78 year were £3.25m (£2.66m) for the group before an exceptional debit of £2.15m.

The directors say that the sale of an investment property in one of the associates was largely responsible for the turnround in their contribution.

Turnover was little changed at £31m against £32m.

Private housing activities continued the success achieved during the last year and made an encouraging start, the directors state.

Despite difficulties with mortgages, sales have been buoyant and this, together with reasonable margins, is largely responsible for the improved group results.

The company has also been successful in continuing to top up and increase the land bank.

The contracting side of the business has done little more than break even in the first half and has suffered adversely during the winter, the directors explain.

However, the margins on new work obtained are improving from which the company should benefit next year.

After the six months' tax charge of £1.09m (£676,000) earnings are shown as 7.92p per 25p share compared with a previous 2.43p; and the interim dividend is increased from 0.9538p to 1.0492p net—last year's final payment was 1.5554p.

● comment

Stripping out the surplus of dealing property disposals, Bryant's interim operating profit amounted to £1.7m which, with some £600,000 from associates in the full year, strongly suggests that a new annual profit record is in sight. Bryant takes the view that a long land bank is essential in the housebuilding industry and will be spending around £5.5m this year to achieve a holding worth almost five years production. The ensuing stock relief would, assuming full year profits of around £4.5m, increase the deferred tax balance to around £7.4m. On the eventual adoption of SSAP 15, the resultant level of reserves would start to support a scrip issue. The shares climbed 5p yesterday to 66p where the yield, assuming a 10 per cent dividend increase this year, is 6.3 per cent.

Woodside finds more gas

AUSTRALIA'S Woodside Petroleum yesterday reported "encouraging shows of gas in the top of the objective section" in the group's Pueblo wildcat on the North West Shelf, reports Don Lipscombe from Perth.

The well is being deepened to locate the vertical extent of the hydrocarbon bearing section. No details of depth were given. Pueblo is in the middle of a series of gas, gas-condensate and other Rankin Trend wells that include the Tidepole oil-gas find.

The report has intensified the focus on interest on this area of offshore Australia, where in the deeper water of Exmouth Plateau, the dynamically-positioning Sedco 472 drillship is approaching the critical depth for the Zeewulf wildcat, with Esso operator for the BHP-Esso partnership.

Huntleigh expands to £950,481

SECOND HALF 1978 profits of Huntleigh Group, the engineering and electronics concern, expanded from £262,000 to £447,000 taking the total for the year up to a record £950,481 compared with £721,000 in 1977. The directors had forecast profits well ahead of last year.

Earnings per 10p share are stated to be up from 4.9p to 5.6p. The dividend is effectively raised from 0.67p to 0.76p with a final of 0.39p.

Group turnover shows an increase from £6.76m to £8.58m. The profit was struck after an exceptional debit of £26,509 (£36,720) but before tax of £308,756 (£159,624).

Manor National profit over £1m

IN ITS first year of operation, Manor National Group Motors reports 1978 pre-tax profits of £1.11m, compared with £0.6m for the previous period. Turnover of the company, which arose from the merger last year between Manchester Garages and Oliver Rix, amounted to £47.18m, against £37.18m.

The results comprise those of Manchester Garages for the year to December 31, 1978 and of Rix for the 15 months to end 1978. Comparatives are for the combined accounts of the two companies for the years to December 31, 1977, and September 30, 1977, respectively.

Trading profits before interest reached £1.64m, compared with £1.23m. Tax takes £153,000 (£26,000) and there were extraordinary debits of £261,000 (£80,000).

Stated earnings per 20p share were 4.8p and as forecast, the dividend is 0.67p, which together with the special interims already paid by Manchester Garages and Rix represents an annual gross rate of 3.2p.

The directors say the merger has been successfully completed with very little disruption, although some rationalisation will need to take place.

Commenting on future trading, they say the increase in interest rates coupled with the serious industrial disputes has not made the start of the current year an easy one.

However, they are confident that, subject to the company being able to replace its lost turnover and profits from the Crewe/Nantwich sale, it should be able to achieve favourable results in 1979 with the full benefit of the merger coming from 1980 onwards.

In accordance with the conditions imposed by the merger concerning the disposal of the Crewe/Nantwich depots, provisional letters of contract have now been exchanged with a prospective purchaser, a substantial British public company and completion should take place soon.

This sale will realise funds of nearly £1m and will reduce interest charges considerably.

Urgent attention is being given to the replacement of these businesses to give a more profitable return from the capital.

Edinburgh Inv. Trust improves

Gross revenue for the year ended March 31, 1979, of Edinburgh Investment Trust rose from £4,140,397 to £4,427,647, and the attributable balance emerged higher at £2,169,248 compared with £1,961,911.

A final dividend of 4.4p net, lifts the total from 6.75p to 7.8p per £1 deferred share, absorbing £2,162,160 (£1,871,100).

Deducting prior charges at nominal value, net assets are shown at 329.6p (266.7p) per share.

Hambro Life £8m surplus: raises dividend by 17.7%

A 31 PER CENT increase in the after-tax actuarial surplus is reported for 1978 by Hambro Life Assurance. The end-year actuarial valuation disclosed a surplus of £8.3m, compared with £6.3m at the end of 1977.

A final dividend of 17.8024p per share is recommended bringing the total to 23.8024p net, an increase of 17.7 per cent over the 1977 dividend of 20.2212p.

Under current dividend restraint, the maximum dividend that may be declared is limited by the highest dividend cover in the relevant period which, for newly listed companies excludes pre-flotation years, but does include the actual years of flotation. Hambro Life was floated in 1976, and the ratio of actuarial surplus to dividends paid was 1.74. The current dividend is based on this value and the Treasury has given its consent.

The directors have transferred from this surplus in the long term assurance fund to the profit and loss account only the amount required to meet this dividend. The remainder has been retained in the long term assurance fund. Thus £4.8m has been transferred to cover the cost of dividends and £3.5m has been added to the retained actuarial surplus bringing the amount to £11m.

The company reports that new business for the current year is running substantially ahead of sales for the corresponding period in 1978.

It is also proposed to split the company's shares, each 25p share being split into 5p shares.

● comment

Hambro Life's excellent new life business results over the past two years paid off in 1978 with profits up by one-third and dividends lifted by well in excess of 10 per cent. The outlook for this year is even better. New business is ahead of 1978 and being based on single premium bonds and individual pension contracts is self-financing, unlike traditional life business. If dividends restraint is lifted then lowering the cover to 1977's 1¼ times and a 15 per cent increase in surplus would enable a 30 per cent rise in dividends. But on top of that, there is £11m accumulated surplus standing idle, though there would be a tax penalty on transfer to the profit and loss account. The share price jumped 65p to 580p on the results to yield 6.3 per cent gross.

Profits little changed at A. & C. Black

The directors of A. and C. Black, publisher, report little change in pre-tax profits for 1978 of £340,000 against £314,000 last time, on turnover of £2.26m compared with £2.04m.

Profits at the six months stage were £138,000 (£135,000).

The year's earnings are stated as 18.6p (16.3p) per 25p share and a final dividend of 3.39p lifts the total from 4.9p to 5.39p net.

Tax for the period took £160,000 against £156,000 and the balance was boosted by an extraordinary credit of £28,000 (nil).

Richards (Leicester) profit fall

PRE-TAX profits of Richards (Leicester), structural and mechanical engineer, ironfounder, fell from a record £660,786 to £524,579 for 1978 on turnover of £5.91m against £5.71m.

At the halfway stage directors reported profits down from £323,000 to £242,000.

After tax for the year of £256,899 compared with £320,897, net profits came out at £367,680 (£339,889) giving earnings of 13.4p (17p) per 25p share.

The dividend is stepped up to 4.2515p net with a final of 2.7515p; last year's total is boosted to 3.8472p with an additional payment of 0.0385p.

Dividends will cost £85,800 (£76,880), leaving £181,880 (£263,009) retained.

Poor start for European options

BY JAMES BARTHOLOMEW

IN A vast hall in the centre of Amsterdam, one which could easily accommodate 500 people, 12 men talk and laugh and pass the time together.

The reason for their presence is not apparent for several minutes until suddenly another man, a few yards away from the rest, shouts out a name, date and three numbers.

The others immediately stop talking, rush over to him, glance at a television screen and start shouting back more numbers. As they shout together they gesticulate furiously. Then the shouting subsides abruptly, pieces of paper are exchanged and calm returns.

This is the European Options Exchange (EOE). When it was opened a year ago on April 4, it was expected to have turnover of about 5,000 contracts per day. It seemed a reasonable expectation in view of the fact that the Chicago options exchange, introducing a totally new product, dealt an average of 6,500 per day in its first year, rising to 22,442 in its second. The EOE, in its first year, has had a daily average of just over 1,000 contracts and shows little prospect of dramatic improvement.

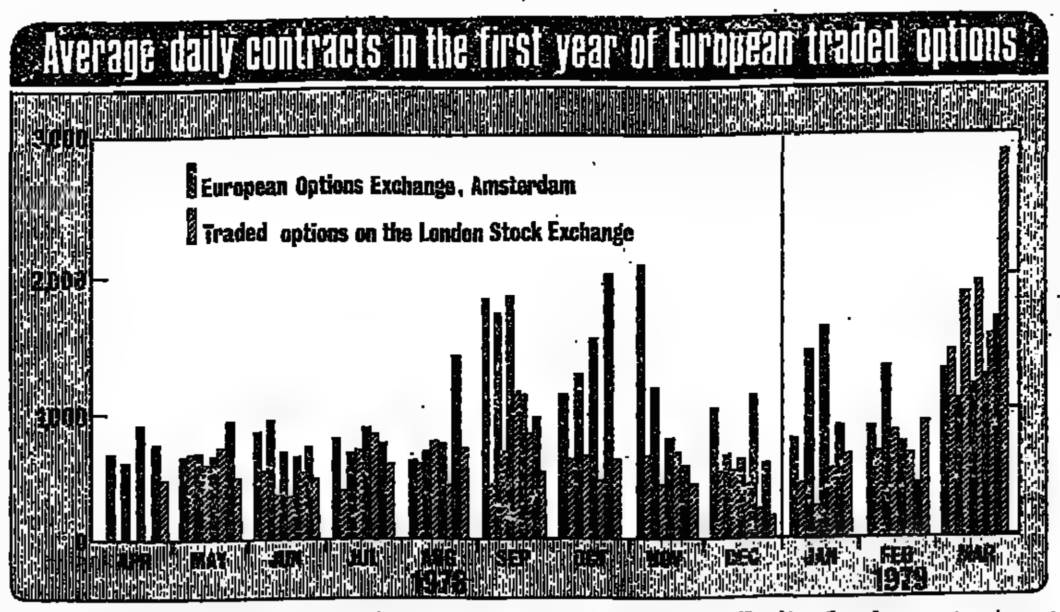
Traded options are an American development of a time-honoured investment tool. Options are basically rights to buy or sell shares at a predetermined price. They have been available on the London stock market for many years. The Americans took them a stage further by developing a market in the options themselves. This enabled an investor to sell an option as well as being able to exercise it or let it lapse. Options had become a highly flexible investment medium.

The American experiment was a huge success and in 1978 the turnover of traded options there was equivalent to 6.3 per cent of the total turnover of the New York Stock Exchange, the biggest of the American stock markets.

Naturally some people thought that this success could be repeated in Europe. In Britain it was hoped that the excitement of options, which can bring huge gains, would encourage private investors to return to the stock market. In Amsterdam, it was hoped to create a truly international exchange, a brave new investment world as global as the market in foreign exchange.

One year later these ambitions can be seen to have been over-optimistic. The Amsterdam exchange is a paradox of what it was meant to be. The London exchange is viable, but only because it invested less money in the first place.

In London the traded options market is part of the main stock exchange floor, so its dull days are obscured in the general melee. But in Amsterdam the contrast between ambition and achievement is all too obvious. The options market has its own hall, the old corn exchange, and it has four large stands bedecked with television sets, surrounded by booths for brokers, and overlooked by a surveillance office. The exchange has its own computer and a separate office with a full time staff headed by an ex-minister and ex-leader of the Dutch investment world. The initial cost was £3m.



Direct comparison between volume on the two exchanges is difficult. London contracts are for 1,000 shares. Holland are for 100, but the Dutch shares are more highly priced. Average premium per contract in London has been about £189; in Amsterdam £128.

The hall seems practically empty. Only one of the stands is in frequent use, the brokers' booths are barely used and the computer is working well below capacity.

It is not only the finances of the exchange which suffer from this inactivity. Some members—notably the clearing members who process some of the paperwork—are also having to carry the burden of their capital investment. They rented offices, hired staff and bought equipment.

What has gone wrong?

In Britain the answer is simple. The Government has not actively supported the new market. It has not, or at least not yet, removed the major obstalce to the market's success: harsh tax treatment. Options are currently taxed as "wasting assets." This means that the acquisition cost of an option for capital gains tax purposes diminishes as the life of the option goes by. So towards the end of its life an option is considered by the taxman to have cost practically nothing. And an investor who sells one for the same amount for which he bought it will be taxed as though he had made a profit.

Volume on the London exchange was growing until the Inland Revenue formally stated the tax position last September in reply to a private inquiry. The Revenue's statement that the taxation would be as harsh as had been feared, with no concessions for institutions such as the pension funds, drove the market into the ground. It remained practically dormant for several months until the recent upsurge of the London stock market.

The price rises and increased volume of the underlying securities have had a disproportionate effect on traded options. Turnover has moved well above 2,000 contracts per day several times, giving the stock exchange as a whole a glimpse of what a traded options market could be like. But the activity is likely to simmer down as soon as this exceptional stimulus is removed.

The only change giving the London options market a sustainable increase of turnover would be a softening of the tax treatment. The Labour government has not obliged, doubtless partly because it has feared being branded as the speculator's friend. A Conservative Government might be more forthcoming.

The reason why the Dutch exchange has not yet been successful is nationalism. The Dutch exchange was meant to be international, quoting options in American, British, French, German, Belgian, Hong Kong, Japanese, South African, Swiss, as well as Dutch shares. But in practice the only serious option business so far has been in Dutch and American shares. Trading in French classes of options has been derisory and in the British classes non-existent. The exchange does not yet list options in shares of other countries, although German and Belgian classes are on their way.

The French and British options have failed because the French Government blocked one and the British stock exchange blocked the other. The Bank of France forbade French citizens to deal in French options on the Dutch exchange on the grounds that it would amount to an export of capital. The argument is dubious since for every loser in options there is also a winner. And the French were permitted to deal in all options other than French ones.

The British stock exchange refuses to supply up-to-date prices of the underlying shares. These prices are vital to the operation of an options market and they are readily available to the London options market. Without them Amsterdam does not stand a chance.

The London jobbers say they fear unfairly well-informed dealings if up to date prices are sent to Amsterdam—or indeed anywhere else. But this argument looks a little thin while the prices are on television screens on the traded options pitch in London.

The executives of the Dutch exchange doubtless find it extremely frustrating to come up against national obstacles such as these. The most bizarre of them has cropped up in Germany. An option there is considered by the law to be a bet. If someone loses a bet in Germany he does not have to pay up—in fact he can even claim his money back if he paid in advance. This makes the banks in Germany understandably reluctant to take orders for options from their clients.

The Dutch reaction to these problems has been remarkably diplomatic. They go on talking and charming and trying to persuade. Mr. Ewald Brouwer, the chairman, takes it philosophically, saying that Robeco, the Dutch-based international investment trust of which he was chairman, took five years to obtain a listing in Switzerland and six years to get one in Japan. Some countries will also take a long time to give the European Options Exchange a chance, he says, but in the end they will be persuaded.

Only reluctantly do the Dutch admit that they might, in the long run, resort to tougher tactics. The obvious weapon would be the Treaty of Rome. The Dutch might one day claim that the French Government and the British Stock Exchange were unfairly restricting competition. The British financial community has been made increasingly aware that it is subject now to an EEC notion of fair play. Only four months ago the regulation of money brokers was changed in accordance with EEC demands.

The Stock Exchange might be under investigation by the EEC even now were it not for the fact that the Office of Fair Trading is already probing into the exchange's restrictive practices.

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NORTH AMERICAN NEWS

Fairchild Camera expects sales to top $1bn by 1982

BY JOHN WICKS IN ZURICH

BY 1982, Fairchild Camera and Instrument Corporation should be able to achieve sales in excess of $1bn with a continuing rise in profits. This was stated in Zurich by Mr. Wilfred J. Corrigan, chairman, president and chief executive officer, who said this target could be obtained without recourse to the equity market.

The company, whose headquarters are at Mountain View, California, expects a rise in turnover this year to substantially more than 600m with a commensurate movement in profits. Last year, sales reached a record 550.4m inspite of gradual divestment of consumer lines. Main reason for this growth over a 1977 level of 470.4m was a rise in sales of semi-conductor products from $321.4m to $383.4m and in those of electronic equipment from $115.1m to $146m. Profits in these two major activities jumped from $45m to $52.3m and $13.2m to $23.4m ($13.2m) respectively. Mr. Corrigan forecast faster growth rates in these sectors for 1979.

In future, he said, the share of semi-conductor business might be of about 50 per cent of total sales, with a correspondingly more rapid development in the field of electronic equipment. In the past two years, Fairchild has withdrawn from the loss-making watch business, which it entered in 1975, and for which sales reache dsome $78m in 1976.

Targets are a rise of a percentage point per year in the return on net sales and improvement towards a goal of 18-20 per cent return on equity.

Capital expenditure will rise sharply in 1979 from $32m to $85m, with funds going mainly to large-scale re-tooling, mechanisation and assembly and the running on of two major equipment factories in Florida and New York State.

Foreign sales reached $182.4m in 1978 and are expected to rise faster than overall turnover to attain a level closer to $250m this year. Growth of the European electronics industry would be faster than that of its U.S. counterpart, Mr. Corrigan predicted.

Meanwhile, the company does not plan any merger, Mr. Corrigan stated, to rebut rumours which last week were instrumental in the company's stock dropping from $45 to $38.50 a share on the New York Stock Exchange.

Knight-Ridder sees increase

NEW YORK — Knight-Ridder Newspapers expects 1979 earnings to meet its long-term growth target of a 12 to 13 per cent annual increase, according to Mr. Alvah H. Chapman Jr., president.

Mr. Chapman said that Wall Street estimates that the Miami-based newspaper and broadcasting company will earn $2.60 to $2.65 a share are realistic.

Knight-Ridder earned $2.34 a share in 1978 on revenues of $878.9m.

The strong newspaper and broadcasting revenue gains reported in January and February have continued into March, Mr. Chapman said, and he is optimistic for the remainder of the year, despite a possible downturn in the economy.

In the first two months of 1979, Knight-Ridder had an 11.3 per cent gain in newspaper advertising revenue to $104m and a 15.3 per cent gain in broadcast revenues to $3.6m.

Mr. Chapman said that he expects the company's newspaper advertising rates to increase by 8 per cent this year, while circulation should rise an average of 7 per cent.

Knight-Ridder last year entered the broadcasting industry with the $70m purchase of Poole Broadcasting Company.
Reuter

Moore McCormack to spend $100m

NEW YORK — Moore McCormack Resources, the transport and natural resources group, expects capital spending to double to about $100m this year, from $47m in 1978, according to Mr. James R. Barker, chairman. The company expects its net income this year to top last year's $33.3m, equal to $5.85 a share.

Mr. Barker said the increased capital spending will include $20m for the purchase of Shenandoah Oil Corporation's Gulf Coast producing properties. The sale is expected to be completed this month, he declared, adding that the majority of the assets will be "old" oil.

The company plans to spend some $60m building an ore carrier and converting another to help meet requirements of a new contract with Republic Steel Corporation, Mr. Barker said.

Moore McCormack is projecting that it will carry 1m to 1.5m more tons of iron ore on the Great Lakes this year than last.

He acknowledged there is "not much" room for improvement from last year's good operating levels. In 1978 the company carried about 9.4m tons of iron ore, the most in 23 years.

Moore McCormack sees coal production increasing this year to around 5m tons from 3.5m last year. Productivity at the company-operated coal mine has increased "dramatically," he noted, because of a decrease in wildcat strikes.
Reuter.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on April 9

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bayer Int. F. XW 7¾ 89	200	84⅞	85	0	+0¼	9.72
CECA 9¼ 84-99	50	98⅜	98⅞	0	+0¼	9.76
Canada 9 83	400	96	96⅜	−0⅛	+0¼	9.77
Canada 9¼ 98	350	97⅛	97⅜	−0⅛	+0¼	9.78
Dow Chem. O/S 9⅜ 94	200	97⅞	98⅛	+0⅛	+0¼	9.90
EIB 9½ 98	125	94⅞	95⅛	0	+0⅛	9.94
EIB 9⅞ 99	150	99⅞	100⅛	−0⅛	+0⅛	9.83
EIB 9⅞ 89	100	100⅜	100⅝	−0⅛	+0⅛	10.07
Export Dv. Cpn. 9.85 84	150	100⅜	101⅛	0	+0⅛	9.84
Export Dv. Cpn. 9⅜ 84	100	97⅝	98⅛	+0⅛	+0⅛	9.77
Eksportfinans 9 86	50	96⅜	96⅞	0	+0¼	9.84
Finland 9 88	100	95⅜	96⅛	+0⅛	+0⅛	9.86
Finland 9½ 86	100	97⅜	98⅛	+0⅛	+0⅛	9.88
GTE Fin. 9½ 84	50	98⅜	98⅞	0	+0⅛	9.89
Gould Int. Fin. 9⅞ 85	50	99⅞	100⅜	+0⅛	+0⅛	9.74
Hospital O/S 9 83	25	97⅛	98⅛	+0⅛	+0⅛	9.58
Hudson Bay Co. 10 94	50	100⅞	101⅛	0	+0⅛	9.84
Ital Finance 9½ 90	30	94½	95	−0⅛	−0⅛	10.54
J. C. Penney 8½ 83	100	98⅛	98⅞	0	+0⅛	9.47
Manitoba 9½ 89	75	97½	98	+0⅛	+0⅛	9.86
New Brunswick 9¾ 94	75	98⅛	98⅞	+0⅛	+0⅛	9.82
Newfoundland 10 94	50	99⅜	99⅞	+0⅛	+0⅛	10.06
Norsk Hydro 9⅜ 94	50	95½	96	+0⅛	+0⅛	9.90
Norway 9¾ 84	150	100⅜	101⅛	+0⅛	+0⅛	9.74
Portland 10 84	50	97½	98	+0⅛	+0⅛	10.60
Redland Fin. XW 9¾ 91	25	93⅛	93⅞	+0⅛	+0⅛	10.49
Sears Roebuck 9 82	150	98⅜	99⅛	+0⅛	+0⅛	9.45
Stockholm 9¾ 84	50	100⅜	100⅞	+0⅛	+0⅛	9.90
UK 9⅜ 93	150	95⅞	96⅛	−0⅛	+0½	9.87

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Ex. Int. 5½ 87	70	93⅞	94⅛	+0⅛	−0⅛	6.65
Argentina 6½ 88	180	93⅞	94⅛	−0⅛	+0⅛	7.43
Australia 6 88	250	97⅜	98⅛	−0⅛	−1	6.30
Austria 5¾ 90	150	92	92½	−0⅛	+0⅛	6.73
Banco Desarrollo 7¼ 86	100	97⅞	98⅜	0	+0⅛	7.60
Bankamerica 5¾ 90	150	93⅜	94⅛	−0½	−1⅛	6.50
Bq. Ext. Algerie 7¾ 85	100	96⅞	97⅛	−0⅛	−0⅛	7.86
Brazil 7¼ 87	150	99½	100	0	+0⅛	7.28
CECA 6 88	150	95⅜	95⅞	0	−0⅛	6.63
Ch. Manhttn. O/S 6 88	100	97⅜	98⅛	0	0	6.21
Copenhagen City 6 90	75	92⅜	92⅞	−0⅛	−0⅛	6.94
Council of Europe 6⅛	130	95⅜	98⅛	−0⅛	−0⅛	6.84
Denmark 5¾ 85	100	96⅜	97⅛	0	0	6.39
Denmark 6½ 89	100	96⅜	97⅛	0	+0⅛	6.95
EIB 6 90	300	92⅞	93⅛	0	+0⅛	6.91
EIB 6½ 91	200	96	96½	−0⅛	−0⅛	6.97
Eletrobras-Brazil 7 87	100	96⅜	96⅞	0	−0⅛	7.58
Eurofima 6½ 89	100	101	101½	−0¼	+0⅛	6.32
Finland 6 83	150	98⅛	99⅛	0	+0¼	6.12
Hitachi Ship. 5¾ 83	50	97⅜	98⅛	−0⅛	−0⅛	6.28
Indonesia 7 84	100	97⅛	97⅝	0	−0⅛	7.56
Kobe, City of 5¾ 86	100	96⅜	97	−0⅛	−1⅛	6.34
Megal Fin. 7 89	150	99⅜	99⅞	−0⅛	+0⅛	7.05
Mitsubishi Petro. 5¾ 85	100	96⅞	97⅛	−1⅛	−1½	6.30
New Zealand 6¾ 87	200	99⅛	99⅝	−0⅛	−0⅛	6.35
Nippon Kokan 7½ 84	100	99⅜	99⅞	−0⅛	0	7.62
Nippon Steel 6¼ 85	100	96	97	−0¼	−1½	6.43
Nippon Tel. & T. 5½ 87	100	93⅜	94⅛	−0½	−0⅛	6.52
Nordic Inv. Bk. 6¼ 86	60	97⅞	98⅛	+0⅛	+0⅛	6.57
Norges Komm. 6 90	100	94½	95	+0⅛	−0⅛	6.67
Norges Komm. 6¼ 89	150	97⅛	97⅞	0	+0⅛	6.58
Norway 6¼ 84	200	100⅞	101⅜	0	+0⅛	5.95
Occidental 6¾ 90	150	95⅜	96⅛	0	+0⅛	7.20
OKB 6½ 88	100	98⅞	99⅜	0	+0⅛	6.62
OKB 6 87	40	97⅛	97⅞	−0⅛	−0⅛	6.41
Petroleo Brazil 7 88	100	97⅜	98⅛	+0⅛	+0⅛	7.31
Ricoh 5⅞ 83	30	96⅜	96⅞	−0½	−0⅞	6.12
Statoil 6 88	150	95⅜	96⅛	+0⅛	−0⅛	6.62
Statoil 6½ 89	150	97⅝	98⅛	−0⅛	−0⅛	6.80
UDS Group 5¾ 83	65	96⅞	97⅜	0	+0⅛	6.51
Union Bank-Finn 6½ 88	50	94⅛	94⅝	0	+0⅛	7.32
Venezuela 6½ 90	150	91⅛	91⅝	0	−0⅛	7.62
World Bank 6¼ 88	400	95⅜	96⅛	−0⅛	−0⅛	6.84

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Acesa 5¾ 88	40	103⅜	103⅞	−0⅛	−0⅛	4.75
Amer. Exp. Int. 3½ 93	40	96½	97	−0⅛	+0⅛	3.79
Asian Dev. Bank 3½ 94	100	88⅜	89⅞	−0⅛	−1⅛	4.57
Austria 3½ 93	100	94⅜	94⅞	−0⅛	−0⅛	3.99
Australia 3¾ 89	250	96	96⅛	+0⅛	+0½	4.11
Brazil 4¼	100	98⅞	99	−0⅛	−0⅛	4.39
Canada 3¾ 89	300	96½	96⅞	0	+0⅛	4.09
Chase Manhattan 4 93	70	98⅜	99	−0½	−1½	4.10
Council of Europe 4¼	100	99	99⅛	−0⅛	−1	4.34
Bankamerica 3¾ 93	80	96½	96½	−0⅛	−2½	4.08
BNDE 5 88	75	100	100⅛	−0⅛	−1	4.98
Denmark 4½ 90	100	†93⅜	94	0	−1⅛	5.22
EIB 4¼ 93	100	98⅛	98½	+0⅛	−0⅛	4.40
Euratom 4¼ 93	80	97	97½	−0⅛	−0⅛	4.52
F. L. Smidth 4½ 89	25	99	99½	−0⅛	−0⅞	4.59
Finland 4½ 93	80	99	99½	−0⅛	−0⅞	4.57
GZB 4½ 93	100	99⅜	100	+0⅛	−1⅛	4.51
Heron 4¾ 89	35	96⅞	96⅞	−0⅛	−0⅛	4.70
ICI Fin. NV 3½ 94	230	†92½	93	−0⅛	−0⅛	4.16
Malaysia 4¾ 90	80	98⅛	98⅝	+0⅛	−0⅞	4.92
New Zealand 3½ 94	120	92⅜	92⅞	0	−1⅛	4.16
Norges Komm. 4¼ 90	100	99⅛	99⅜	0	−0⅞	4.33
OKB 3¾ 91	100	94⅜	94⅞	0	+0⅛	4.32
Oy Nokia 5 90	20	100	100⅛	−0⅛	−2⅛	4.95
Philippines 4¾ 89	50	97½	97⅞	−0⅛	+0½	5.06
Sandvik 4 90	85	97	97½	−0½	−0⅛	4.30
Spain 4 91	100	95⅛	95⅝	−0⅛	−0⅞	4.62
Voest-Alpine 4½ 93	100	99½	99⅞	0	−0⅞	4.53
Vienna 4 93	100	98⅛	98⅝	0	0	4.15
World Bank 4¼ 93	250	99⅛	99½	−0⅛	−0½	4.31

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 5¾ 88	15	84⅛	85⅛	+0⅛	−2⅛	8.12
Australia 5.6 83	30	93⅞	94⅞	−0⅛	−0⅛	7.16
Australia 6½ 88	20	91⅝	92⅝	−0⅛	−1⅞	7.81
Finland 5.6 83	10	92⅜	93⅜	−0⅛	−1⅛	7.45
Finland 6.8 88	10	92⅝	93⅝	−0⅛	−0⅞	7.97

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Nordic I. Bk. 9 84 SDR	20	98⅜	99½	0	0	9.22
Auto Cote B. 7 93 EUA	16	91½	93	0	0	7.90
Komm. Inst. 7½ 93 EUA	15	97½	98⅛	0	0	7.71
Panama 8¼ 93 EUA	20	94	95½	0	0	8.90
SDR France 7 93 EUA	22	94⅜	95⅞	0	−0⅛	7.56
Algemene Bk. 6¾ 83 Fl	75	95½	96⅛	−0⅛	0	7.45
CFE Mexico 7¼ 83 Fl	75	97⅞	98⅞	−0⅛	−0⅛	8.23
EIB 7⅞ 85 Fl	75	94½	95¼	0	−0⅛	9.29
Ned. Middbk. 8¼ 84 Fl	75	99½	100½	−0⅛	0	8.22
New Zealand 6¾ 84 Fl	75	94⅜	94⅞	−0⅛	−0⅛	8.07
Norway 8¼ 84 Fl	100	100⅜	101⅛	−0⅛	−0⅛	7.89
Elf Aquitaine 9¾ 88 FFr	150	98⅜	99⅛	0	0	9.90
EIB 9¾ 88 FFr	200	98⅞	99⅜	0	0	9.88
Norway 9¼ 84 FFr	200	99⅛	100	−0⅛	−0⅛	9.34
PSA Peugeot 9¼ 87 FFr	175	99⅜	99⅞	0	−0⅛	9.83
Total Oil 9¾ 87 FFr	150	97½	98⅛	0	−0⅛	9.77
Unilever 10 85 FFr	100	100⅜	101½	0	−0⅛	9.74
CECA 8⅜ 89 £	20	82⅜	83⅜	+0⅛	+1⅞	10.85
Citicorp 10 93 £	20	92½	93⅛	+0⅛	+1⅛	11.02
EIB 9⅞ 88 £	25	97⅛	97⅝	+0⅛	+1⅛	10.20
Finance for Ind. 13 91 £	15	106⅜	106⅞	+0⅛	+1⅛	11.94
Gen. Elec. Co. 12½ 89 £	50	103⅛	104⅛	+1	+1⅛	11.83
BAT 8 88 LuxFr	250	97⅛	98⅛	0	0	8.35
Bayer Lux. 8 86 LuxFr	250	97½	98½	0	0	8.38
EIB 7⅞ 88 LuxFr	250	96⅜	97⅜	0	0	8.17
Euratom 8 87 LuxFr	500	100⅛	101⅛	0	0	7.89
Finland I. F. 8 88 LuxFr	250	97⅛	98⅛	0	0	8.33
Norway 7¾ 83 LuxFr	250	97½	98½	0	−0⅛	8.34
Norges Km. 8 88 LuxFr	500	98½	99½	0	+0⅛	8.17
Renault 7¾ 88 LuxFr	500	97⅜	98⅜	0	0	8.08
Solvay Fin. 8 85 LuxFr	500	100½	101⅛	0	0	7.84
Swedish Bk. 8 88 LuxFr	500	100⅛	101⅛	0	0	7.89

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Arab Intl. Bank M5.5 88	0⅛	96⅞	97½	31/7	11.44	11.78
BFG Fin. Co. M5.5 89	0⅛	99⅜	99⅞	12/7	12.4	12.53
Bco. El Salvador M8 83	1⅛	97⅜	97⅞	12/4	11.31	11.59
Bco. Nac. Argnt. M8 83	0⅛	100⅛	100⅝	21/7	12⅛	12.20
Bco. Nac. Argnt. 7 86	0⅛	98	98½	22/9	11½	11.70
Banco Urquijo 6 88	0⅛	97⅜	98⅛	21/9	11½	11.73
Bank of Tokyo M5½ 93	0⅛	97⅜	98⅛	18/4	10½	10.71
Banque Worms M5¾ 85	0⅛	98½	99	15/6	12	12.15
Bq. E. d'Alg. M8.375 84	0⅛	96⅜	97⅛	9/8	11⅞	12.24
Bq. Ext. d'Alg. M7.5 85	0⅛	95⅛	95⅝	2/5	12⅜	13.35
Bq. Indo et Suez M5½	0⅛	99½	100	25/7	12	12.03
Bq. I. Af. Occ. M6.5 83	0⅛	98	98½	12/7	12.4	12.62
BNP 5½ 91	0⅛	97⅝	98⅛	22/2	11⅜	11.62
CCCE M5.25 98	0⅛	97⅛	97⅝	3/8	11⅛	11.65
Ch. Man. O/S M5¼ 88	0⅛	98⅜	98⅞	27/7	11.73	11.90
Citicorp O/S Fin. 6 94	0⅛	99⅜	99⅞	8/6	11.06	11.10
Credit National M5¼ 88	0⅛	98½	99	11/7	12.31	12.47
Gotabanken M6 88	0⅛	†98⅜	98⅞	15/5	12.31	12.50
Ind. Bk. Japan M5½ 85	0⅛	99⅞	100⅜	1/6	12.35	12.32
Ljubljanska M7.75 85	1	97½	98½	18/7	12.94	13.20
LTCB Japan M5¼ 85	0⅛	99⅜	99⅞	9/5	12.06	12.11
Midland Intl. M5½ 93	0⅛	98⅜	99⅛	20/7	12⅛	12.37
Nipp. Crdt. Bk. M5.5 85	0⅛	99⅜	100⅛	22/6	12.81	12.81
OKB M5¾ 88	0⅛	99⅜	100⅛	18/4	10.56	10.56
Offshore Mining 88	0⅛	99⅛	99⅝	19/7	12.19	12.26
Petro Mexicano 7¼ 84	0⅛	98⅞	99⅜	24/7	12.06	12.17
Privredna Banka M8 86	0⅞	96	97	22/6	13.44	13.92
Standard Chrt. M5.5 90	0⅛	97⅜	97⅞	10/8	11.56	11.84
Sundsvallsbnkn. M6 85	0⅛	97½	98	4/10	11.06	11.32
Texas Int. Air. M7 86	0⅛	98⅛	98⅝	11/4	—	—
Utd. Overs's Bk. M6 89	0⅛	98	98½	29/9	11.14	11.34

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Asics 5¾ 93	9/78	626	†87½	88	+0⅛	3.16
Baker Int. Fin. 5½ 93	1/79	34	119	119½	+1	0.41
Boots 6¾ 93	2/79	2.16	110	111	+0⅞	−4.86
Ciba-Geigy O/S F 4 94	9/79	675	83½	84½	−0⅛	−14.73
Coca-Cola Bottling 6¾	4/79	9	90	91	−0⅛	20.67
Esselte 7¼ 89	9/79	159	98	98½	—	3.55
Honda Motor 5½ 89	5/79	532	93⅛	94½	+1⅛	2.59
Ito-Yokado 5¾ 93	6/78	1339	110⅛	111	−1⅛	0.47
Novo Industri 7 89	4/79	259	87	88⅛	+0⅛	8.79
Texas Int. Air. 7¾ 93	4/79	14.5	89½	90½	+0½	18.64
Thorn Int. Fin. 7 88	11/78	3.67	126⅛	127⅛	+2⅛	−1.84
Tyco Int. Fin. 8½ 88	9/78	21	105½	106	+0⅛	7.02
Asahi Optical 3½ DM	12/78	588	93	94	+0⅛	1.18
Casio Co. 3½ 85 DM	11/78	841	93	94	−0⅛	12.33
Izumiya 3½ 86 DM	10/78	989	89⅞	90⅞	−0½	6.00
Jusco 3½ 86 DM	1/79	1154	86⅞	87⅞	−0½	19.55
Kansai Elec. 4 84 DM	4/79	1350	90⅛	91⅛	−0⅛	37.37
Konishiroku 3½ 85 DM	1/79	612	92⅛	93⅛	0	14.70
Marudai Food 3½ DM	2/79	1073	88⅛	89⅛	−0⅛	30.74
Murata M. 3½ 86 DM	11/78	854	96½	97½	−1⅛	2.90
Nipp. Air. 3.5 88 DM	12/78	508	85½	86½	−0⅛	6.68
Nippon Yen. 3½ 85 DM	1/79	251	93	94	+0⅛	17.24
Nissan Diesl. 3½ 86 DM	2/79	477	91½	92½	−0⅛	6.91
Olymp. Opt. 3½ 85 DM	2/79	703	99⅞	99⅞	−0½	0.89
Ricoh 3½ 86 DM	10/78	617	93⅜	94⅜	+0⅛	16.98
Sharp Co. 3½ 86 DM	2/79	487	95⅛	96⅛	−0⅛	7.71
Stanley Elec. 3½ DM	11/78	623	90½	91½	−0½	26.38
Tokyo Elec. 3½ 87 DM	4/79	476	95⅛	96⅛	+1⅞	10.20
Tokyu Ld. Co. 4 86 DM	4/79	573	98⅛	99⅛	−0½	6.87
Trio-Knwd. 3½ 86 DM	11/78	711	87⅛	88½	+0⅛	12.80

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M=minimum coupon. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

BRASCAN'S BID FOR WOOLWORTH

Takeover of a lively centenarian

BY JOHN WYLES IN NEW YORK

MOST COMPANIES, and F. W. Woolworth has been no exception, seek an extra slice of public attention in their centenary years but most, and again Woolworth may not be the exception, would wish it to stop short of a takeover bid.

Precisely what it is about the centenarian which has made Brascan, the diversified Canadian company, willing to consider paying $1.12bn for one of the world's most famous variety store chains remains to be seen. The proposed tender of $35 a share offers a substantial premium above Friday's closing price of $26, which may already have been inflated by rumours of a possible bid. Retail stocks have not been particularly highly regarded in the market in recent years, and not since the early 1970s have Wolworth's shares sold at any kind of premium to book value, which stood at $37.66 a share on January 1.

The strength of the stock six or seven years ago was due almost entirely to its apparently vigorous move into discount retailing in the U.S. through the opening of a chain of Woolco stores. These now number 381 and feature a more limited range of merchandise than the traditional Woolworth variety store. The discount store market may now be worth in the region of $50bn a year in the U.S. but it is true to say that Woolworth's impact has not been as great as its investors had hoped. It still trails K-Mart Corporation in size while sales per square foot in the Woolco stores lag behind several other rivals.

But there have been other perceived weaknesses, not least Woolworth's dependence on overseas operations for operating profits. Consolidated subsidiaries in Canada, Germany, Mexico and Spain, together with the unconsolidated British operation, in which F. W. Woolworth has a 52.7 per cent stake, have frequently accounted for about half total earnings and in the last couple of years have left the company's balance sheet swaying under the impact of currency changes.

Nevertheless, 1978 was Woolworth's best year ever with total returns showing some of the beneficial effects of policies introduced by Mr. Edward Gibbons, who became chairman and chief executive officer at hte beginning of last year.

Mr. Gibbons has directed his efforts towards improving the management of the company by imposing stronger central controls on buying merchandising and advertising. In addition, he has put greater emphasis in his store development policies on clustering outlets in metropolitan areas rather than spreading them more thinly across the country. But there has been no attempt to change Woolworth's basic market, which is mainly blue collar, and although Woolco has taken the company much more firmly into clothing sales, there is no desire to chase the "fashion" image which is common to some of its rivals.

Between 1973 and 1977 Woolworth's earnings were locked firmly in the $93m to $108m range. But last year proved a real breakthrough due to an improvement in the profitability of the U.S. operation and strong performances abroad. As a result net earnings climbed from $95.5m to $130.3m or $4.34 a share. Sales increased from $5.53bn to $6.1bn.

The British arm of Woolworth is regarded as the slumbering giant of UK retailing, James Bartholomew writes in London. For the last decade it has been modernising its outlets, changing products from low value goods like hairpins and cotton thread to more expensive items such as electrical goods and records. Design of the stores has been changed and the old wooden floors have been replaced.

Despite much effort, the right formula still does not seem to have been found. Pre-tax profits of $110.8m last year were only 36 per cent higher than 10 years ago, while turnover had almost kept up with inflation.

For many years the company has seemed to be on the verge of fast profits growth. One broker described F. W. Woolworth yesterday as a "jam tomorrow" company.

The group has just over 1,000 stores. Its freehold and leasehold properties were professionally valued last June to show a surplus of $555.5m over book value. The properties were in the previous balance sheet at $441m. Shareholders' funds at that time were $524.6m.

Among the latest developments have been hypermarket stores and experimentation with catalogue stores. The company has overseas operations in Jamaica, Trinidad, Barbados and Cyprus.

The British company was started in 1909 as a wholly owned subsidiary of the American parent. In 1931, 47.3 per cent was disposed of by an offer for sale. These shares are quoted on the London Stock Exchange.

The price jumped yesterday on hopes that any new buyer of the parent company might either sell the UK subsidiary or buy in the outstanding minority.

U.S. MOTOR INDUSTRY

Ideal timing for GM's new model launch

BY JOHN WYLES IN NEW YORK

THE U.S. motor industry is bracing itself for the launch by General Motors next week of potentially the most important new car design in 20 years whose unveiling coincides with a boom in demand for small, fuel-efficient passenger vehicles.

The "X" car is the first entirely new model developed by GM in response to Federal laws requiring a steady reduction in passenger car fuel consumption by 1985. Developed at a record cost of $2.7bn, the new "compact" cars to be marketed by four of GM's five product divisions are 800 lbs lighter and 20 inches shorter than the models they replace.

In addition they are fitted with front wheel drive transverse engines, which are still relatively unfamiliar in the U.S. GM intends that the "X" car should be its basic small vehicle design throughout the 1980s but the most important and immediate question for the U.S. industry is the impact which its launch will have on GM's two main rivals—Ford and Chrysler.

In the past few months GM's market share of U.S.-produced cars has climbed close to 60 per cent, partly because sales of Ford and Chrysler's new redesigned full-size cars have not lived up to expectations. Both companies are planning major promotional campaigns in an attempt to resist the GM onslaught but some analysts expect a further loss of market share to the new GM models.

The new cars are also expected by GM to eat into the market share of foreign imports which rose in March to 23.5 per cent. The timing of the launch is perfect since the record volume of imports sold last month is partially explained by fears of steadily climbing fuel prices. Fuel efficiency has long been a major selling point for many imports and GM's new cars are designed to be more directly competitive with some Toyota, Datsun and Volkswagen models.

Thus the Oldsmobile Omega (its three "clones" will be the Pontiac Phoenix, Buick Skylark and Chevrolet Citation) will deliver 24 mpg in city driving and 38 mpg on the highway in its four-cylinder manual transmission form. Comparable figures with automatic transmission are 22 mpg and 35 mpg with an optional automatic V6 engine 20 mpg and 36 mpg, and with V6 manual transmission 21 mpg and 37 mpg.

GM hopes that this specification will be perfectly in tune with a marketing trend which has recently boosted the overall small car share of the market from 46 to 47 per cent to 51 to 52 per cent. The company is aiming to produce 600,000 of the cars this year which are already designated 1980 models and some of which will be marketed in Europe, but not the UK.

General Motors is expected to spend $100m over the next month promoting the new cars in a campaign which both Ford and Chrysler have already strated to anticipate with big advertising expenditures stressing their own small vehicles. Chrysler is extremely anxious to protect sales of its small front-wheel drive models, the Omni/Horizon, which were introduced a year ago and it is expected to introduce a generous rebate scheme to spur its dealers.

Front-wheel drive will play an increasingly important part in GM designs in the next few years because of its space-saving advantages. This makes the "X" car, from an engineering point of view, GM's most important development since the introduction of its Corvair small car 20 years ago. This design was one of the targets for Ralph Nader's attacks on auto safety and GM readily admits that its record in developing a top notch small car for the U.S. market has been spotty.

The new cars were to have been launched last September but late development problems delayed their introduction. GM says they have been more heavily tested than any other model and claims that more than 200 prototypes have been driven 6m miles.

Ford is planning a new front-wheel drive sub-compact which will be a shade smaller than the GM cars for launching in the autumn of 1980. Christened the Erika, this car will replace the Pinto, whose sales are being plagued by safety controversies, and the Fiesta, which is being imported from Europe. Ford's larger front-wheel drive compacts will not be ready until the autumn of 1981.

Meanwhile, Chrysler will unveil a new line of front wheel drive compact in the autumn of 1981 and this design currently bears the code label of "K" body.

EUROBONDS

Barclays to raise DM100m

BY FRANCIS GHILES

BARCLAYS Bank Investment Company Overseas is raising a DM 100m bond with a 10-year bullet maturity. Lead manager is Dresdner Bank, and other indicated terms include a coupon of 6¼ per cent and a price of 99½. The issue will be guaranteed by Barclays Bank.

This is the second time Barclays Bank has arranged a bond denominated in a foreign currency: last June it placed SwFr 60m for 10 years privately in the Swiss capital markets. In raising a Deutsche-Mark denominated bond, Barclays Bank is seeking to broaden its capital base and to begin to reflect both capital invested overseas and the make-up of its medium term Eurocurrency assets.

The terms of this issue are among the best available for a prime borrower in the Deutsche-Mark sector of the bond market at present. Only last week the final terms were announced for a French state-owned Credit National issue: this borrower got a lower coupon, 6¼ per cent, but the 10-year issue had a shorter average life of eight years.

These terms were considered very tight, and the result was that the issue has traded at a discount in the secondary market: yesterday it was quoted at 97½-98.

The DM 150m issue for the European Coal and Steel Community was priced at par by Dresdner Bank with indicated conditions—a coupon of 7 per cent for 12 years—otherwise unchanged.

In the U.S. dollar sector of the bond market, two new issues were announced. Hydro Quebec is raising $75m for 20 years through a group of banks led by Credit Suisse First Boston. The indicated coupon is 10 per cent and, if fully utilised, the purchase fund will reduce the average life of the bonds to 16 years.

The second issue is a $75m 10-year offering for ITT Antilles NV, which carries a guarantee of International Standard Electric, itself a subsidiary of the U.S. parent company, ITT. The terms of this issue, which are final, include a coupon of 9¾ per cent, an average life of 8.9 years and a price of par.

In the secondary market, the prices of U.S. dollar issues were firm in what dealers described as mostly professional dealing.

In the Canadian dollar sector, prices of some seasoned bonds were off. The two issues priced last week, for Canada's Export Development Corporation and Hudson's Bay Company, were unchanged.

Trading was very busy in the sterling sector, but prices were unchanged on the day.

Swiss franc bonds were again very weak yesterday. The SwFr 60m issue for Pfandbriefstelle der Oesterreichische Landeshypothekarbanken opened at a discount of four points from its par pricing.

U.S. acquisition underpins Bayer

BY GUY HAWTIN IN FRANKFURT

BOOSTED BY the first time consolidation of the results of Miles Laboratories, of the U.S., the West German chemical group Bayer has managed to lift 1978 pre-tax profits by 13 per cent to DM 1.24bn ($314m).

Even so, Bayer's figures—like those of its rivals BASF and Hoechst—show signs of a steady revival in the West German chemical industry's performance. Group world sales rose by 6.8 per cent from DM 21.39bn to DM 22.84bn ($12.1bn) with Miles contributing 5.4 points of the increase.

A breakdown of world performance figures shows further improvement in the final quarter of the year. Fourth quarter world sales were up by an above average of 7.4 per cent from DM 5.19bn in comparable period of 1977 to DM 5.57bn—a movement also noticeable in the BASF and Hoechst returns.

Business was better overseas than at home for the West German parent concern although earnings and sales figures were depressed by the weakness of the dollar on the foreign exchanges. Sales of Bayer rose by a meagre 0.4 per cent from DM 9.93bn in 1977 to DM 9.97bn.

According to the report, domestic sales fell back from the previous year's DM 4.22bn to DM 4.07bn, while exports rose from DM 5.71bn to DM 5.9bn. Exports as a proportion of total turnover therefore increased further from 1977's 57.5 per cent to 59.2 per cent.

Again the returns show a substantial improvement in the final quarter's exports. These were up 7 per cent on the comparable period of 1977 from DM 1.36bn to DM 1.45bn. In contrast, domestic sales fell back 1 per cent from DM 975m to DM 965m.

Pre-tax profits rose at a far slower rate than the world figures. They increased 3.5 per cent to DM 776m, after dropping 13.5 per cent in 1977 to DM 750m.

The executive board said in the report that that volume throughput in the final quarter produced improved capacity utilisation at the parent's plants, but sales prices declined further. They particularly affected exports as a result of the strong decline in the value of the dollar against the D-Mark.

At the same time, overheads—in particular, personnel, energy and freight costs—rose further. A 1.2 per cent decline in the labour force was more than offset by a 4 per cent increase in personnel costs.

Heavier loss from Dutch shipbuilder

By Charles Batchelor in Amsterdam

Holland's largest shipbuilding company, Rijn-Schelde-Verolme (RSV), incurred a loss of Fl 58.9m at the pre-tax level for 1978 and sees no immediate respite from these weak trading conditions despite substantial government support. In 1977, losses totalled Fl 46.5m.

Despite "considerable" government support for loss-making contracts in the shipbuilding and offshore divisions, RSV expects to incur large losses on these activities. The group is unable to maintain this extensive capacity from its own resources, it said in a statement.

The company's provisional operating result worsened by around Fl 67m in 1978 to produce a loss of Fl 77.8m ($38.9m). After extraordinary items, principally the book profit on the sale of company housing, the pre-tax loss was Fl 58.9m. Net losses after a tax receipt of Fl 1m and a loss of Fl 1.8m on participations were Fl 59.7m against Fl 49.6m.

The final accounts will be drawn up when the Government has decided on a solution for the company's problems, it said.

The Dutch cabinet last week said it expected to announce a decision in about six weeks' time. However, after a lightning strike last Friday at Verolme Dok en Scheepsbouwmij by the 2,800-strong workforce, talks between the Government, unions and RSV's management were brought forward to today.

Much of the 1978 loss was caused by the poor results of the shipbuilding and repairing sectors.

Agreement was reached with the Government and the unions on a large number of restructuring measures in 1978. These include the merger of two ship-repair yards in Amsterdam, the closure of the shipbuilding division of P. Smit, a reduction of capacity at RSV Zware Apparatenbouw and cutbacks in the Rotterdam repair yards.

Restructuring costs were Fl 123.6m of which Fl 50m were drawn from existing provisions and Fl 70m covered by part of the Government's special Fl 160m aid package approved in March, 1978. A further Fl 30m of this special aid has been used to cover losses on ship-owning activities. RSV will call a special shareholders' meeting on May 2 to approve a plan for the Government to take a 40 per cent shareholding in RSV's capital at a cost of Fl 80m.

Optimism at Holmens Bruk

By Victor Kayfetz in Stockholm

HOLMENS BRUK, Europe's biggest newsprint manufacturer, writes in its annual report that "there are good prospects during 1979 to improve the economic result of the company's operations compared with 1978."

Last year's pre-tax profit for the Swedish pulp and paper group was SKr 58.5m ($13.5m), up from SKr 40.2m in 1977. Turnover rose 24 per cent to SKr 1.78bn ($409m) in 1978.

The company now expects at least a 10 per cent volume rise in production and deliveries of its two main products, newsprint and magazine paper. During 1978 plants ran at 85 per cent of capacity and output totalled 744,000 tonnes, against 638,000 tonnes the preceding year. The large excess stocks existing at the start of 1978 have been eliminated.

As reported earlier, the Board has recommended a dividend of SKr 7.50 per share, up from SKr 7.

Earnings slide at Conti-Gummi

BY OUR FRANKFURT CORRESPONDENT

WEST GERMANY'S largest tyre maker, Continental Gummi-Werke, suffered a sharp slide in net profits last year from DM 20.2m to DM 3.8m ($2m).

For the seventh year in a row, therefore, shareholders will receive no dividend.

Turnover of the parent company increased by 2.4 per cent to DM 1.56bn. Group sales, on the other hand, rose by 3.1 per cent to DM 1.92bn.

Behind the group's problems lies a history of extremely tough competition from low-cost country imports in the West German tyre market. All German tyre makers have been suffering to more or less the same degree and to a large extent, their answer to the competition—high technology, steel belted radial tyres—has defeated the purpose of the exercise with too long a life span for the products.

Like its competitors, Conti-Gummi has broadened its area of activities into technical rubber products and, at the same time, introduced stringent rationalisation measures.

* * *

ADAM OPEL, West Germany's second major car producer and part of the General Motors group of Detroit, plans to spend more than DM 1bn ($532m) up to 1982 on expanding its plant at Kaiserslautern, writes Andrew Fisher.

The investment, which follows a year of record output and domestic demand, will form part of the overall DM 5bn spending programme begun by the company in 1977.

Opel aims to increase the pressing, bodymaking, and engine production facilities in Kaiserslautern, in south-west Germany, and the workforce there will rise by some 3,000 to 7,000 people as a result of this and other investments.

The announcement of these plans comes shortly after Daimler-Benz revealed that it would spend around the same amount at its Bremen factory, where it will build its new "small Mercedes" model.

Opel itself also has announced recently that it was investing DM 500m at its Ruesselsheim factory. The company has already expressed optimism about the current year after its record vehicle output in 1978 of nearly 960,000 vehicles and total deliveries to the West German domestic market of 530,000 units.

Also illustrating the continuing bright prospects for the German motor industry, which has been riding high for several years, was the news that Volkswagen intends to take on a further 2,000 workers in its German plants this year.

Since the start of 1978 the VW labour force in Germany has risen by 6,000 to 110,000.

Italian chemicals group incurs further losses

BY PAUL BETTS IN ROME

ANIC, Italy's second largest chemical company in terms of turnover, controlled by the state ENI Hydrocarbons Agency, has reported losses of L178bn ($212m) last year compared to a loss of L189bn in 1977.

In a statement, the group said the 1978 losses included some L20bn as a consequence of the liquidation of Italproteine, the joint venture in Sardinia between British Petroleum and anic.

The two partners decided to liquidate the venture following repeated delays by the Italian health authorities to give the go ahead for the plants' production of bioproteins for use as animal feed on a commercial scale.

Despite the cutback in losses, Anic said debt interest totalling L85bn last year, or the equivalent of 9 per cent of the company's net turnover continued to distort the chemical group's balance sheet together with the sustained losses of its troubled fibres activities.

Net sales increased by 13 per cent to L903bn last year, while consolidated turnover rose by 20 per cent to L1,200bn.

Apart from fibres, the other sectors to have been particularly hit last year were synthetic rubber production, as a result of depressed demand by tyre manufacturers, and fertilisers.

Fertiliser production suffered again last year because of the Government's current pricing policy for this sector, the company said.

While performance of the base chemical sector remained disappointing, the secondary sector, including pharmaceuticals was generally encouraging. At the same time, the company confirmed that there were now signs of a recovery in the chemical sector.

Anic's turnover during the first two months of this year increased by 40 per cent compared to the same period last year following both an increased volume of sales and higher prices. Concurrently, however, raw material costs had increased sharply.

Anic has now launched a major group reconstruction programme, and some L600bn have already been earmarked to this effect.

However, in view of the company's continuing heavy losses, Anic, in what has become a familiar ritual in Italian corporate finances, intends to propose at a forthcoming extraordinary shareholders' meeting to write-down the company's share capital to cover last year's loss and subsequently increase it to L258.2bn.

Increase in profits at Thomson-CSF

PARIS—Thomson-CSF, the parent company of the electronics arm of the Thomson-Brandt electrical group, has posted a net profit for 1978 of FFr 158.3m ($36.6m) against FFr 123.1m in 1977.

The company intends to pay a net dividend for 1978 of FFr 7.80 a share, as in 1977, but the dividend will be paid on a capital increased by some 1.43m shares during the year.

Thomson-CSF said that its 1978 net result was achieved after making FFr 207.7m of depreciation allowances, against FFr 196.1m in 1977.

Sales of the parent company totalled FFr6.95bn ($1.6bn) up 15.8 per cent from the FFr 6.11bn in 1977. Orders at the end of the year totalled FFr 17.5bn, against FFr 15bn.

Thomson-CSF did not publish its consolidated accounts, but said that the group's sales amounted to FFr 11.93bn, compared with FFr 9.94bn in 1977.

The 1978 total includes sales of Lignes Telegraphiques et Telephoniques, which Thomson-CSF [illegible] control during the [illegible] On a comparable [illegible] basis, sales rose by 12 per cent.

AP-DJ

Counter-offer for Yema

BY TERRY DODSWORTH IN PARIS

INDICATIONS of French Government disapproval of Jaeger's bid for Yema, the Besancon-based watchmaking group, emerged yesterday in a counter-offer for the company from Jaz, the group put together with the help of Government finance.

The Jaz bid is roughly equivalent to Jaeger's, which is proposing a share and cash deal to give it a 35 per cent stake in Yema. It is the second time that Jaz has made approaches to Yema, which it would like to bring into its group in its efforts to create a significant French force in the industry.

Yema has so far responded coolly to the Jaz offer. In a joint statement with Jaeger, it says that talks are well advanced for the merger as soon as it receives official approval.

A formal go-ahead from the authorities is necessary to cement the deal with Jaeger because it is 41 per cent-owned by VDO of West Germany. Up to now this approval has not been forthcoming.

Jaeger said yesterday that it remained optimistic about its chances of bringing off the deal with Yema. The company claims to be better placed than Jaz because it can bring considerable technical know-how based on its car instrumentation division, to the assistance of Yema.

The idea is to help the Besancon group to expand its activity in electronic watches. The affair has aroused fresh rumours that VDO may decrease its shareholding in Jaeger. Although the suggestions have been in the air for some time, it is now being said that the French Government would be more willing to hasten the approval of the Yema merger if there was such a rundown in the German company participation.

Dresdner Bank turns cautious

BY ANDREW FISHER

THE CONTINUED low level of interest rate margins, which kept profits under pressure in the first quarter, is prompting Dresdner Bank, one of West Germany's leading commercial banks, to take a cautious view of its prospects for 1979.

Dresdner also has its reservations about the state of the German economy, with Dr. Hans Friderichs, the chief executive and a former economics minister, expressing concern over price trends and the effect of the latest easing of the Deutsche-Mark on import prices.

Earnings of the bank benefited in the first three months from favourable profits on the trading side, he said. After the usual January sluggishness, credit uptake had recovered, with total credit volume now some 14 per cent above levels [illegible]ed in the comparable [illegible] of 1978.

The bank boosted its total lending business by more than 11 per cent in the whole of last year to DM 49.34bn, while non-bank customer deposits advanced by 8 per cent to DM 43.3bn.

Dresdner Bank has already declared an unchanged DM9 dividend for last year, following an increase in earnings of the parent bank to DM 223m ($118m) from DM 203m. Dr. Friderichs said that operating profits were up by 7 per cent in 1978—no figure was given—which was second only to 1975.

The balance sheet total rose by 13 per cent last year to DM 70bn, with a 13.7 per cent improvement in the consolidated figure to DM 111bn. Including unconsolidated banks in the group, such as Dresdner Bank International in Luxembourg, overall business volume showed a 16 per cent gain to DM 137bn.

The banks surplus on interest earnings over interest costs went up by 8.5 per cent to DM 1.52bn though actual rate margins slipped from 2.5 per cent to 2.4 per cent. Dresdner said these were too low, in view of rising expenses and the need for extra risk provisions as business volume grew.

Elaborating on the bank's foreign plans, Dr. Friderichs said the Madrid and Hong Kong representative offices would be upgraded into full branches next month. Dresdner had opened a securities representative office in Tokyo, in addition to its branch there, and also planned a Melbourne office.

Closer to home, Dresdner last month purchased control of Veuve Morins-Pons, the small Lyon-based French bank. In addition, it will expand its domestic branch network by opening around 30 new offices, mainly in medium-sized and small German towns.

Higher dividend from Swire Pacific

BY HUGH PEYMAN IN HONG KONG

SWIRE PACIFIC, one of Hong Kong's leading trading companies, raised its net consolidated 1978 profit by 75 per cent to HK$324m (US$65m). This was mainly due to a 63 per cent profit increase by Swire Properties and the strong performance of Cathay Pacific Airways, which benefited from high load factors, good yield and the strength of currencies in many of the countries in which it operates.

Swire raised its "A" share dividend by 11 cents to 33 cents making a total payout of 45 cents for the year on capital raised by a one-for-ten bonus issue against 32 cents in 1977. The final dividend on "B" shares also rose 50 per cent to 6.6 cents for an annual total of nine cents.

After its substantial 1978 growth, Swire, which besides its property and airline activities has interests in trading, hotels, engineering and ship repairing, said that growth in 1979 would be slower, as a result of the general economic background. However, the company believed both earnings and dividends would increase in the coming year.

* * *

THE HONG KONG Mass Transit Railway Corporation (MTR) has signed a U.S.$200m 10-year loan with a syndicate led by Manufacturers Hanover.

The loan which is not guaranteed by the Hong Kong Government, is split into two tranches. For the first seven years the loan bears interest at 0.75 per cent above London Interbank Offered Rates (Libor) while in the final three years interest will rise to 0.875 per cent above Libor.

The MTR has also renegotiated a U.S.$400m loan signed in February 1978. The interest margin has been cut from 1 per cent over Libor to 0.75 per cent for the remaining nine years.

Sharp upturn at Esso Malaysia

By Wong Sulong in Kuala Lumpur

ESSO MALAYSIA BERHAD recorded a sharp upturn in performance last year, with after-tax trading profits rising to 23.1m ringgit (U.S.$ 10.5m), compared with 6m ringgit in 1977.

In line with the good results, the company is increasing its final dividend to 35 per cent, consisting of 10.33 per cent exempted from tax under the provisions of the Pioneer Industries Act and 24.67 per cent of taxable dividend. This brings total dividends for the year to 45 per cent (of which 20.33 per cent is tax exempt), compared with 25 per cent tax exempt for 1977.

Mr. R. R. J. Kruizenga, the Esso Malaysia chairman, attributed the performance to three factors, namely the signing of a new and more profitable oil supply contract with the National Electricity Board since August last year, continued growth in refining and sale operations, and a foreign exchange gain of 4.8m ringgit arising from the depreciation of the U.S. dollar.

The company had also obtained Government approval to revalue its land and buildings, resulting in a surplus of 7.9m ringgit.

The company's refinery at Port Dickson processed 13.4m barrels of oil last year, a 12 per cent increase, while sales rose by 0.7m barrels to 14.4m barrels. Ammonia output increased 12 per cent to 48,800 tonnes and was an important contributor to profits.

Advance at Straits Steamship

By H. F. Lee in Singapore

GROUP POST-TAX profit at Straits Steamship Company, a subsidiary of Ocean Transport and trading of the UK rose 14 per cent to S$8.7m (U.S.$4m) for 1978. At the pre-tax level, profit, however, rose by 29 per cent to a record S$15.8m.

The group suffered from an abnormally high tax charge of S$7.1m, against S$4.6m previously, as a result of its inability to offset losses in certain subsidiaries against taxable profits in others, and of lower earnings from tax exempt shipping operations.

Group operating profit, which excludes the results of associated companies and interest charges, rose by 13 per cent, through a better performance in its traditional activities: particularly its property sector. Sales were marginally higher, at S$184.4m (U.S.$84m).

The group's associates, particularly William Jacks and those engaged in the oilfield, engineering and insurance activities, achieved a better performance.

The only laggards in the group's operations were its computer bureau and its food and distribution specialist, Ben and Co., which continued to incur losses.

Group profit attributable to shareholders after extraordinary items amounted to S$5.76m which is lower than the previous year's figure of S$6.73m.

This results from the higher level of minority interests and a write-off of S$1.7m in extraordinary items due largely to the closure of some of Ben's loss making operations.

Straits Steamship has declared a 20 per cent tax exempt dividend, which is slightly higher than the 18.8 per cent paid previously, after adjusting for a one-for-four bonus issue last year.

Union Carbide India to expand in high technology areas

BY K. K. SHARMA IN NEW DELHI

UNION CARBIDE India, the subsidiary of Union Carbide of the U.S., has completed plans for expansion in areas of high technology and exports in order to be able to retain a majority foreign holding of 50.9 per cent. This level is now permitted under the Foreign Exchange Regulation Act (FERA) to companies wishing not to reduce the foreign holding to 40 per cent—provided they satisfy the Government that they are complying with high technology exports requirements.

Since Union Carbide has decided to take advantage of the new middle point, it has planned expansion and modernisation of petrochemical plant in Bombay at a cost of Rs 4bn (about $500m) over a three-year period. It also expects to commission its mica-based pesticide project this year. The company has, in addition, plans to use offshore gas from oilfields in the western continental shelf for its plants.

According to the company's annual report, an investment of Rs 337m has been made in specified high technology and export areas. This is about 76 per cent of its total investments since FERA became effective.

In 1978 the company's sales rose by 4 per cent to Rs 11.1bn ($1.4bn) despite a suspension for four months of its chemical and plastic plant operations in Bombay. Sales of all its products, with the exception of chemicals and plastics, have risen.

Exports during the year rose to Rs 53.7m from Rs 50.8m in the previous year. Of this, shrimps — Union Carbide has diversified into deep-sea fishing as part of its new operations—accounted for Rs 44.4m. Some 500 tonnes of electrolytic manganese dioxide were exported to South East Asian countries.

Union Carbide earned a pre-tax profit of Rs 91.4m ($11.3m), while profits after-tax amounted to Rs 50.4m compared with Rs 49.6m in the previous year. The better performance lay mainly in the batteries, flashlight cases, arc carbons and marine products sections.

The dividend is unchanged at 16 per cent for the third year running.

Union Carbide proposes to issue 250,000 redeemable debentures of Rs 100 each carrying an interest not exceeding 11 per cent. This will increase its long-term resources for working capital requirements.

Southern Hydrocarbons equity issue

BY K. K. SHARMA IN NEW DELHI

SOUTHERN Hydrocarbons is to enter the capital market on May 2 with an issue of 294,000 equity shares of Rs 10 each, partly to finance a Rs 22m ($2.75m) project to manufacture items based on industrial alcohol.

The company plans to manufacture acetic, anhydride and acetic acid with an annual capacity of 1,000 tonnes each, 900 tonnes of monochlore acetic acid and 3,000 tonnes of carboxy methyl cellulose annually.

The project is located in Pudukottai district, of Tamilnadu state, and the company hopes to start production by the middle of this year. Southern Hydrocarbons is owned jointly by the Tamilnadu Government and Mr. R. Venkataswamy, and his associates who have seperately subscribed 25 per cent of the capital, leaving 50 per cent with the general public.

The company expects smooth marketing of its new products, which are basic chemicals and serve as raw materials for a wide range of drugs and pharmaceuticals, made in centres such as Bombay, Madras and Bangalore.

Consortium bank sets up in Seoul

BY RON RICHARDSON

UNION de Banques Arabes et Francaises, a partnership between three French and 26 Middle Eastern banks, is to set up a branch in Seoul. The new office was approved recently by the Bank of Korea, the central bank.

The new institution will aim at increasing the financing available for the large volume of Korean business—especially in the construction industry—with the Arab world.

Last month the Dutch-based Algemene Bank opened an office in Seoul, bringing to 25 the number of fully operative foreign banks in South Korea. There are also about ten banks which have representative offices.

Matsushita sets bond terms

TOKYO—Matsushita Electric Industrial Company and underwriters have agreed to set the coupon rate of the Y50bn ($233m) non-mortgaged convertible bonds at 4.4 per cent a year, a Matsushita spokesman said.

They also decided that the conversion price will be Y738. The issue date is April 28. The face value of the bonds is Y100 and the purchase value of a bond is Y500,000, the spokesman added. Matsushita announced the bond issue on March 13.

Lead underwriters are Yamaichi Securities, Nomura Securities, Nikko Securities and Daiwa Securities.

AP-DJ

INVESTMENT IN ISRAEL

Plan to boost foreign share buying

BY L. DANIEL IN TEL AVIV

A plan to give foreign investors priority in new issues on the Tel Aviv Stock Exchange has been put forward by Mr. Benno M. Gitter, the banker and businessman who is special adviser to the Israeli Ministry of Finance. Whereas in the past foreign investors have either bought Israeli Government bonds or put small amounts in investment companies, Mr. Gitter claims to have found lively interest in America and elsewhere in direct investment in Israeli enterprises

AN APPROACH to facilitate foreign investment in Israeli companies — and particularly in industry — has been worked out by a Tel Aviv banker and international businessman, Mr. Benno M. Gitter, who is acting as special adviser to the Israeli Minister of Finance. In the past, foreign investors have either bought Israeli Government bonds or put relatively small amounts into investment companies; but Mr. Gitter has said that he has found a lively interest in the Americas and elsewhere in direct investment in Israeli enterprises by the purchase of substantial blocks of shares. This interest could be translated into tens of millions of dollars of new investment.

He attributed the new-found interest to the rapid expansion of the Israeli stock market during the past two years, the liberalisation of foreign exchange controls since end-1977, and the wish by some investors to diversify their portfolios.

In the past such foreign financial participation in Israeli industry has been hampered by the fact that popular issues have been heavily over-subscribed, leaving little for foreign investors.

Mr. Gitter's plan, which has been approved by the Israeli Treasury, would give foreign investors priority in new issues on the Tel Aviv Stock Exchange. At the moment, institutional investors may generally order up to 40 per cent of any new issue. Under Mr. Gitter's plan, up to 60 per cent of the new issue could be made available to institutional and foreign investors (the distribution would be at the discretion of the issuing company). The foreign investor would form a corporation specially for such investments. Shares purchased by such a corporation would be held by a trust company in Israel for at least one year after which they would be released for sale at the owner's option. The foreign investors would also benefit from the discount given for private placements.

Mr. Gitter, who wants to develop merchant banking in Israel, feels that his plan offers a solution to private companies intending to go public within two or three years. Foreign shareholders buying into such a company would be guaranteed a registration on the Tel Aviv Stock Exchange within a specified time and would be assured of getting a predetermined percentage of the issue when the company went public.

Asked how such investors could be sure of safeguarding the value of their foreign currency investments in the light of Israel's 50 per cent inflation rate, he pointed out that today any investment in shares has to compete with the yield obtained from the Israel Government's bond issues which are linked to the cost-of-living index. If a new issue is underwritten by the big banks this in itself would constitute a recommendation that the yield would not be less than the index linkage plus interest accruing from Government bonds.

Mr. Gitter's plan is no substitute for the direct participation of foreign companies in Israeli industry but it would complement it. It is designed for the investor who, while willing to take a large stake in a company—anything up to 50 per cent—does not want to be involved in day-to-day management.

The amount of direct American company investment in Israeli industry continues to grow as a result of Israel's moves towards a free market system and easy access to the European market. Some 200 American companies are currently operating in Israel. Among American companies which invested in Israel last year are such electronic and electrical concerns as National Semiconductor of California, ABT Engineering, Valtec Corporation, Vesco Instruments, Rand Information Systems, Microwave Associates and Superex Electronics.

The latest statistics show that U.S. investment grew last year by 50 per cent to reach $120m.

CURRENCIES, MONEY and GOLD

WORLD VALUE OF THE POUND

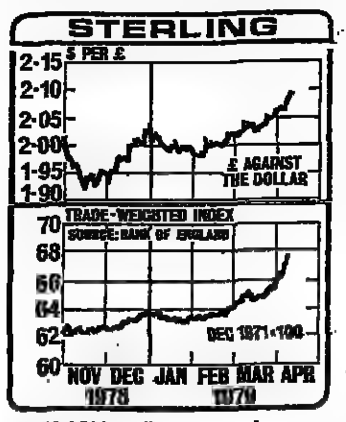
The table below gives the latest available rates of exchange for the pound against various currencies on April 9, 1979. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied. Exchange in the UK and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

PLACE AND LOCAL UNIT	VALUE OF £ STERLING
[illegible]	[illegible]

Pound & dollar remain firm

STERLING and the U.S. dollar continued to improve in yesterday's foreign exchange market, with good demand seen for both currencies. There was little indication of any intervention by the Bank of England, although the strength of the dollar probably rendered this unnecessary. The pound's trade weighted index reached 67.6 at the close compared with 67.5 at noon and in the morning and a previous close of 67.4.

Against the dollar sterling opened at $2.0930-2.0940 and eased initially on dollar demand to $2.0860. By noon, however, renewed interest saw the rate climb to $2.0890. With the opening of U.S. centres, sterling continued to strengthen and touched $2.0955 before closing at $2.0935-2.0945, a rise of 75 points from Friday.



The dollar finished around its best level for the day at DM 1.9045 against the D-mark compared with DM 1.8940 on Friday and SwFr 1.7265 from SwFr 1.7135 in terms of the Swiss franc. It eased slightly against the Japanese yen, however, in anticipation of a rise in the Japanese discount rate, strongly rumoured to happen this week, and closed at Y214.30 compared with Y215.30 previously. On Bank of England figures, the dollar's trade-weighted index rose to 85.7 from 85.6.

The Italian lira remained the strongest currency within the European Monetary System while the Belgian franc continued as the weakest member.

The Irish punt showed a weaker tendency against most currencies and eased to $2.0190 from $2.0337½ against the dollar. It was also weaker against the D-mark at DM 3.8460 (DM 3.8510), the French franc at Fr 8.8060 (Fr 8.8240), the lira at L1703 (L1713), the Danish krone DKr 10.67 (DKr 10.70), and the Dutch guilder at Fl 4.1350 (Fl 4.1465). The punt was steady against the Belgian franc although the latter may have been given support.

Frankfurt—The dollar was fixed at DM 1.9040 (DM 1.8883) and the Bundesbank sold around $30m after the U.S. unit touched its best level since mid-December last year. Sterling was also sharply firmer at DM 3.9820 compared with DM 3.9400 on Friday.

Tokyo—The dollar lost ground against the yen and closed at Y214.40 compared with Y215.375 on Friday. Trading was affected by strong rumours that the Bank of Japan is likely to increase the discount rate sometime this week.

THE POUND SPOT AND FORWARD

April 9	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0860-2.0955	2.0935-2.0945	0.20-0.10c pm	0.86	0.52-0.42 pm	0.90
Canada	2.3990-2.4120	2.4105-2.4115	0.20-0.10c pm	0.75	0.25-0.15 pm	[illegible]
Nethlnd.	4.26½-4.30	4.28¾-4.29¾	2-1c pm	4.19	4¾-3¾ pm	3.96
Belgium	62.60-63.05	62.90-63.00	25-15c pm	3.81	70-60 pm	4.13
Denmark	10.99-11.08	11.06¾-11.07¾	2¼-¼ore pm	1.36	2½-½ pm	0.54
Ireland	1.0305-1.0390	1.0362-1.0372	0.03-0.13p dis	−0.93	0.25-0.35dis	−1.16
W. Ger.	3.96-4.00	3.98½-3.99½	2½-1½pf pm	6.02	6½-5½ pm	6.02
Portugal	101.60-102.20	101.80-102.10	50-110c dis	−9.42	140-280 dis	−7.85
Spain	142.90-143.70	143.55-143.65	20c pm-30c dis	−0.42	25pm-75dis	−0.70
Italy	1,761-1,768	1,766¼-1,767¼	¼lire pm-1¾ dis	−0.50	1½-3½ dis	−0.56
Norway	10.73-10.80	10.79-10.80	3-1ore pm	2.22	6-4 pm	1.85
France	9.08-9.14	9.12¾-9.13¾	3½-2½c pm	3.94	8¼-7¼ pm	[illegible]
Sweden	9.18-9.23	9.21¾-9.22¾	2.55-2.25y pm	1.95	5½-3½ pm	0.22
Japan	446-452	[illegible]	2.55-2.25y pm	6.47	6.75-6.30 pm	6.81
Austria	29.06-29.30	29.22-29.27	20-10gro pm	6.15	50-40 pm	6.15
Switz.	3.59½-3.63	3.61¾-3.62¾	3½-2½c pm	9.95	9¾-8¾ pm	10.05

Belgium rate is for convertible francs. Financial franc 64.10-64.20. Six-month forward dollar 0.70-0.60c pm: 12-month 1.15-1.05c pm.

THE DOLLAR SPOT AND FORWARD

April 9	Day's spread	Close	One month	% p.a.	Three months	% p.a.
Ireland†	2.0185-2.0240	2.0185-2.0215	0.20-0.10c pm	0.85	0.52-0.42 pm	0.89
UK†	2.0860-2.0955	2.0935-2.0945	0.55-0.25c pm	2.37	2.50-2.40 pm	4.85
Canada†	86.87-87.06	86.87-86.90	0.02-par	0.13	0.12-0.09 pm	0.48
Nethlnd.	2.0463-2.0490	2.0470-2.0490	0.70-0.60c pm	3.80	1.70-1.60 pm	3.22
Belgium	30.03-30.07	30.06-30.07	9.2-8.2c pm	3.47	21.5-20.0 pm	2.69
Denmark	5.2830-5.2870	5.2830-5.2855	0.50 pm-par	0.56	0.10-0.60dis	−0.26
W. Ger.	1.8960-1.9060	1.9040-1.9050	0.94-0.84pf pm	5.48	2.50-2.40 pm	5.14
Portugal	48.73-48.87	48.73-48.78	35-50c dis	−10.46	100-165dis	−10.87
Spain	68.50-68.65	68.60-68.65	30-40c dis	−6.12	75-85 dis	−4.66
Italy	[illegible]	843.30-843.80	0.75-1.05lire dis	−1.28	2.70-3.50dis	−1.47
Norway	5.1455-5.1550	[illegible]	0.90-0.40ore pm	0.50	1.55-1.05 pm	1.02
France	4.3580-4.3610	4.3590-4.3610	1.30-1.20c pm	3.44	2.80-2.60 pm	2.09
Sweden	4.4007-4.4080	4.4007-4.4017	0.70-0.50ore pm	1.63	1.55-1.35 pm	1.31
Japan	[illegible]	[illegible]	1.10-1.00y pm	5.87	2.75-2.65 pm	5.03
Austria	13.965-13.986	13.961-13.968	7-6½gro pm	5.69	18½-16½ pm	6.08
Switz.	1.7160-1.7280	1.7260-1.7270	1.45-1.35c pm	9.73	4.10-4.00 pm	5.38

† UK, Ireland and Canada are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

April 6	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	13	0.614066	0.643717
U.S. $	9½	1.28088	[illegible]
Canadian $	11¼	1.47199	1.54463
Austria Sch.	3¾	—	18.5995
Belgian F.	6	[illegible]	40.0963
Danish K.	8	—	7.04825
D mark	3	2.41869	2.53597
Guilder	6½	2.60595	2.73150
French Fr.	9½	5.54557	5.81351
Lira	10½	1078.18	1130.40
Yen	3½	275.517	288.997
Nrwgn. K.	7	6.56835	6.88516
Spanish Pes.	8	87.3880	91.7216
Swedish Kr.	6½	—	5.88569
Swiss Fr.	1	2.19287	2.29841

CURRENCY MOVEMENTS

Apr. 9	Bank of England Index	Morgan Guaranty changes %
Sterling	67.6	−37.0
U.S. dollar	85.7	−8.2
Canadian dollar	82.2	−15.5
Austrian schilling	144.9	+18.7
Belgian franc	113.8	+14.0
Danish kroner	116.7	+5.8
Deutsche Mark	148.5	+40.4
Swiss franc	192.2	+79.5
Guilder	124.4	+20.2
French franc	98.8	−6.7
Lira	54.8	−48.7
Yen	135.0	+33.7

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England index=100).

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 9	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	[illegible]	40.1557	+1.77	+1.21	±1.53
Danish Krone	7.08592	[illegible]	−0.39	[illegible]	±1.635
German D-mark	2.51064	2.54219	[illegible]	+0.71	±1.1325
French Franc	5.79831	[illegible]	+0.43	−0.13	±1.35
Dutch Guilder	2.72077	2.73446	+0.50	−0.06	±1.5075
Irish Punt	0.662638	0.660983	−0.25	−0.81	±1.665
Italian Lira	1148.15	1126.30	−1.85	−1.85	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER MARKETS

Apr. 9	£	$		£ Note Rates
Argentina Peso	2429-2449	1160-1170	Austria	28¼-29¼
Australia Dollar	1.8790-1.8830	0.8975-0.8995	Belgium	62¾-63¾
Brazil Cruzeiro	47.62-48.62	22.75-23.25	Denmark	10.90-11.00
Finland Markka	8.36¾-8.37¾	4.0030-4.0050	France	8.90-9.00
Greek Drachma	76.360-78.207	36.45-37.35	Germany	3.87-3.97
Hong Kong Dollar	10.645-10.665	5.0550-5.0600	Italy	1,725-1,765
Iran Rial	150.25-156.50	72-75	Japan	447-457
Kuwait Dinar (KD)	0.573-0.583	0.2774-0.2776	Netherlands	4.17-4.27
Luxembourg Frc.	62.90-63.00	30.06-30.08	Norway	10.64-10.74
Malaysia Dollar	4.55-4.66	2.2210-2.2230	Portugal	95-101
New Zealand Dlr.	1.9820-1.9880	0.9465-0.9495	Spain	140.5-143.5
Saudi Arab. Riyal	7.00-7.10	3.3790-3.3800	Switzerland	3.50-3.60
Singapore Dollar	4.61-4.62	2.2025-2.2035	United States	2.0825-2.0925
Sth. African Rand	1.7670-1.7770	0.8440-0.8485	Yugoslavia	39½-43

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

Apr. 9	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.094	3.990	449.0	9.135	3.616	4.295	1767.	2.411	62.95
U.S. Dollar	0.478	1.	1.905	214.4	4.361	1.721	2.050	843.7	1.151	30.06
Deutschemark	0.251	0.525	1.	112.5	[illegible]	0.907	1.076	442.8	0.604	15.78
Japanese Yen 1,000	2.227	4.664	8.886	1000.	20.34	8.057	9.560	3935.	5.370	140.2
French Franc 10	1.095	2.293	4.369	491.7	10.	3.961	4.700	1935.	2.640	68.92
Swiss Franc	0.276	0.579	1.103	124.1	2.525	1.	1.187	488.4	0.666	17.40
Dutch Guilder	0.233	0.488	0.934	104.6	2.128	0.843	1.	411.6	0.562	14.67
Italian Lira 1,000	0.566	1.185	2.258	254.1	5.169	2.048	2.430	1000.	1.365	35.63
Canadian Dollar	0.415	0.869	1.655	186.2	3.788	1.500	1.780	732.8	1.	26.11
Belgian Franc 100	1.589	3.326	6.338	713.3	14.51	5.747	6.819	2807.	3.830	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 11.20-11.30 per cent; three months 11.35-11.45 per cent; six months 10.50-10.60 per cent; one year 10.40-10.50 per cent.

Apr. 9	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	11⅝-11⅞	10-10¼	9½-10½	7⅝-7⅞	1-1⅛	[illegible]	6⅛-6¾	8-10	—	[illegible]
7 day's notice	11⅝-11⅞	10⅛-10⅜	9½-10½	6½-6¾	1-1⅛	[illegible]	[illegible]	10¼-11⅛	10[illegible]-10[illegible]	2⅞-4⅛
Month	11⅝-11¾	10¾-11	10[illegible]-10[illegible]	6¾-7	⅞-1	5⅛-5[illegible]	7⅜-7⅛	10¾-11¾	10[illegible]-10[illegible]	4[illegible]-5[illegible]
Three months	11[illegible]-11[illegible]	10⅝-10⅞	10[illegible]-10[illegible]	6⅞-7⅛	1-1⅛	5¼-5[illegible]	7¾-8	11¼-12¼	10[illegible]-10[illegible]	5[illegible]-5[illegible]
Six months	11⅛-11[illegible]	10½-10¾	10½-10⅞	7⅛-7⅜	1[illegible]-1[illegible]	5⅜-5½	8⅜-8⅝	11¾-12¾	10[illegible]-10[illegible]	5[illegible]-6[illegible]
One year	10⅞-11	10⅛-10¾	10¼-10⅝	7⅜-7⅝	[illegible]	5⅛-5[illegible]	8⅞-9⅛	12¼-13¼	10[illegible]-10[illegible]	5¾-6[illegible]

Long-term Eurodollar deposits: two years 10[illegible]-10[illegible] per cent; three years 10-10⅛ per cent; four years 10-10⅛ per cent; five years 9[illegible]-10[illegible] per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Japanese rates nervous

Call money eased to 4.6875 per cent from 4.75 per cent in Tokyo yesterday, while the three-month bill discount rate increased to 5.25 per cent from 5.125 per cent. Speculation in the money market and foreign exchange market pointed towards a rise in the Bank of Japan's discount rate sometimes this week, from the level of 3½ per cent, where it has been since March last year. Expectations of an increase in the discount rate follow a period of weakness for the Japanese yen, which has suffered more than most currencies from the recent rise in oil prices, and from difficulties over supply.

European interest rates were very steady in most centres.

PARIS — Day-to-day money remained at 6½ per cent, and period rates were unchanged, with one-month at 6[illegible]-7[illegible] per cent; six-month at 7½-7⅝ per cent; and 12-month at 7⅝-7⅞ per cent.

FRANKFURT — Call money was unchanged at 5.35-5.45 per cent; one-month at 5.40-5.50 per cent; three-month at 5.60-5.70 per cent; six-month at 5.70-5.80 per cent; and 12-month at 6.00-6.10 per cent.

AMSTERDAM—Call money was quoted at 7½-7⅝ per cent, compared with 7½-7½ per cent previously. One-month and three-month funds were also at 7½-7⅝ per cent, compared with 7½-7½ per cent, and six-month was unchanged at 7½-7⅝ per cent.

BRUSSELS—Deposit rates from the Belgian franc (commercial) were: one-month 7⅜-7½ per cent; three-month 7⅜-7⅞ per cent; six-month 7[illegible]-8[illegible] per cent; and 12-month 8⅜-8[illegible] per cent.

SINGAPORE—The Bank of East Asia has raised its prime rate to 8¼ per cent from 8 per cent, and Chemical Bank has cut its prime rate to 8 per cent from 8¼ per cent.

HONG KONG—The money market was tight, with call money at 11¼ per cent, and overnight at 10½ per cent.

NEW YORK—Interest rates were generally firmer, but Morgan Guaranty Trust became the first major bank yesterday to cut its broker loan rate to 10½ per cent from 10¾ per cent, reflecting the general easing of market conditions recently. A cut in the broker loan rate sometimes precedes a reduction in banks' prime lending rates.

GOLD

Little change

Gold traded extremely quietly yesterday within a spread of $1 and closed at $240-240½, a rise of just $½ an ounce from Friday. The Krugerrand's premium over its gold content widened to 3.28 per cent from 3.08 per cent for domestic delivery, but narrowed to 8.48 per cent from 10.17 per cent in international dealings.

In Paris the 12½ kilo bar was fixed at FFr 33,875 per kilo ($241.59 per ounce) in the afternoon, compared with FFr 33,850 ($241.47) in the morning and FFr 33,700 ($242.09) on Friday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 14,755 per kilo ($240.98 per ounce) against DM 14,600 ($240.52) previously.

	Apr. 9	Apr. 6
Gold Bullion (fine ounce)		
Close	$240-240¾ (£114.80-114.9)	$239¼-240 (£114.7-115.0)
Opening	$240¼-241 (£114.8-115.2)	$239¼-240¼ (£114.9-115.5)
Morning fixing	$240.00 (£114.910)	$239.85 (£114.882)
Afternoon fixing	[illegible]	[illegible]
Gold Coins, domestically		
Krugerrand	[illegible]	[illegible]
New Sovereigns	[illegible]	[illegible]
Old Sovereigns	[illegible]	[illegible]
Gold Coins, internationally		
Krugerrand	[illegible]	[illegible]
New Sovereigns	[illegible]	[illegible]
Old Sovereigns	[illegible]	[illegible]
$20 Eagles	[illegible]	[illegible]
$10 Eagles	[illegible]	[illegible]
$5 Eagles	[illegible]	[illegible]

UK MONEY MARKET

Large assistance

Bank of England Minimum Lending Rate 12 per cent (since April 5, 1979)

Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave large assistance by buying Treasury bills from the discount houses.

Banks brought forward rundown balances from Friday, and the market was also faced with the call of £230m on the medium tap gilt edged stock. On the other hand Government disbursements, including payment of the rate support grant, outweighed revenue payments to the Exchequer, and net maturing Treasury bills were also in the markets favour.

Discount houses paid 11½-12 per cent for secured call loans at the start, but closing balances were found at 7-9 per cent.

In the interbank market overnight loans opened at 11½-11¾ per cent, and rose to 12-12½ per cent, before falling sharply to 2-3 per cent at the close.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Apr. 9 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 11¾-11⅞ per cent; four years 11⅞-12 per cent; five years 11⅞-12 per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 10⅞-11 per cent; four month trade bills 12 per cent.

Approximate selling rates for one-month Treasury bills 11[illegible] per cent; two-month 11[illegible] per cent; three-month 11[illegible] per cent. Approximate selling rate for one-month bank bills 11[illegible] per cent; two-month 11[illegible] per cent; and three-month 11[illegible] per cent; one-month trade bills 12¾ per cent; two-month 12 per cent; and three-month 11¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13 per cent from April 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 9-9½ per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.7550 per cent.

MONEY RATES

NEW YORK	
Prime Rate	11.5-11.75
Fed Funds	10.375
Treasury Bills (13-week)	9.43
Treasury Bills (26-week)	9.27
GERMANY	
Discount Rate	4
Overnight Rate	5.40
One month	5.45
Three months	5.65
Six months	5.75
FRANCE	
Discount Rate	9.5
Overnight Rate	6.5
One month	6.75
Three months	7
Six months	7.3125
JAPAN	
Discount Rate	3.5
Call (Unconditional)	4.6875
Bills Discount Rate	5.25

BUSINESSES FOR SALE

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For further information please contact:
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Company situated in the North of England wishes to dispose of its plastics trade moulding interests. The assets for sale will include freehold multi-storey factory of approximately 60,000 square feet situated on a three acre site. Present turnover approximately £1m per annum. Sale as going concern to include freehold factory, machinery and stock for £275,000.

For further details please write to JH Owen.

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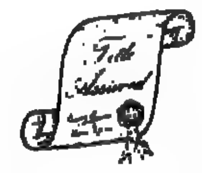

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Early Wall St. reaction on interest rate fears

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REFLECTING FEARS that interest rates may be about to move higher, Wall Street continued last Friday's easier tendency in quieter early trading yesterday.

The Dow Jones Industrial Average, which managed an advance over the whole of last week of 13.51, receded 2.68 to 873.01 at 1 pm. The NYSE All Common Index reacted 24 cents to $57.80, while declines outpaced rises by about a two-to-one margin. Turnover decreased to 18.31m shares from last Friday's 1 pm level of 25.27m.

Closing prices and market reports were not available for this edition.

Carter Administration officials are reportedly agreed that more steps are needed to slow the economy, including higher interest rates and credit controls.

Fed sources said, however, that the Administration had not asked the Fed about higher rates, and Presidential inflation adviser Kahn said he knows of no decision about moves to slow the economy.

Analysts stated that the striking lorry drivers' lockout was a *further* worry, but added that large amounts of potential investment funds on the sidelines and expectations of higher first-quarter profits were providing a cushion for the stock market.

Oils, which advanced last week in anticipation of President Carter's plans to decontrol domestic oil prices, lost ground.

Among the actives, **Gulf Oil** slipped ⅜ to $26⅛ and **Texaco** ⅜ to $26⅜. **Exxon** eased ⅛ to $53⅜ and **Atlantic Richfield** ⅛ to $64⅞.

Motors, which have been bearing the brunt of the impact of the trucking strike, were fractionally easier.

General Public Utilities again topped the actives list and fell afresh by 1¼ to $12⅞, still undermined by the accident at its Three Mile Island nuclear power plant.

However, **Monogram Industries** advanced $2 to $37⅞. It has begun an offer to exchange debt for Common shares.

Gaming shares were strong, as were some Rails and some Copper shares.

Cyprus Mines lost ⅞ to $27⅞. *The company*, which previously said it was discussing a financial link with a number of companies, stated that rising metals prices have greatly diminished the need for such a link.

THE AMERICAN SE Market Value Index receded 0.75 to 180.98 at 1pm on volume of 2.36m shares (2.87m)

***McCulloch Oil** led the Amex* actives but was unchanged at $6⅜. **Houston Oil** lost ⅛ to $19⅞ and **Dome Petroleum** 1¼ to $106⅞.

In the plus column, **Resorts International "A"** added 1¼ at $49⅛ and **Tubos de Acero** rose $2 to $23 on news of a stock dividend of three shares in place of each share already held.

Canada

In a sharp reversal of the recent rising trend, Canadian markets lost ground yesterday morning in moderate activity.

The Toronto Composite Index declined 8.9 to 1,466.3 at midday, while the Oils and Gas sector, particularly buoyant of late, retreated 39.3 to 2,174.8 on index. Metals and Minerals lost 1.2 to 1,268.8. Golds 6.4 to 1,551.9. Banks 1.45 to 311.68. Utilities 0.53 to 219.36 and Papers 0.51 to 157.93.

Imperial Oil "A" receded 1⅛ to C$27⅜ and **Noreen** ⅜ to C$20⅛.

Weston were unchanged at C$23⅜. Thomson interests, *competing with Weston for Hudson's* Bay shares, raised their offer over the weekend. Trading in Hudson's Bay remained halted.

Brascan "A," which last closed at C$22⅞, was halted at the opening for dissemination of news that it is planning an offer for F. W. Woolworth shares at C$34 each.

Tokyo

After a fresh early improvement, the market retreated sharply over a broad front on general liquidations.

Dealers commented that investors turned wary following the market's rallying tendency of late, but added that the sharp fall had no connection with Sunday's local elections, in which the ruling Liberal Democratic party won a landslide victory.

The Nikkei-Dow Jones Average closed 54.02 down at 6,010.98 and the Tokyo SE index 3.53 weaker at a 1979 low of 439.54, while there was a fairly active business of 370m shares.

Hitachi fell Y10 to Y245, **Toshiba** Y4 to Y133, **Nippon Steel** Y7 to Y115, **Honda Motor** Y14 to Y541, **Kawasaki Steel** Y7 to Y107, **Canon** Y13 to Y580, **Casio** Y30 to Y795, **Takeda Chemical** Y25 to Y535 and **Mitsu** Y9 to Y296.

Strengthening against the ternd, however, were **Sony**, up Y30 at Y1,990, **Toyota Motor**, Y12 higher at Y859, **Nissan Motors**, Y18 firmer at Y688, ***Teikoku Oil***, *up Y14 at Y518, and* **Nippon Oil**, Y60 to the good at Y1,110, after reaching Y1,250.

Paris

Market further advanced in active trading, with the Bourse Industrials index rising 1.2 to 80.1.

There were no clear reasons for the rise apart from technical factors at thestart of the month, dealers said. Shares gained across a wide front, although Constructions and Metals were mixed.

Usinor firmed 5 centimes to FFr 11.95 *following sharply* reduced 1978 losses.

Pricel rose 9 to FFr 215 and **UTA** 13 to FFr 229 on news that **Pricel** and **Chargeurs Reunis**, which holds a majority stake in UTA, have begun talks on a possible merger.

Marine Wendel and **Telephones Ericsson** advanced 10 per cent apiece, while others moving strongly ahead included **Cie du Nord, Merieux, Locafrance, Michelin, Moet-Hennessy, Redoute, Perrier, Sommer-Allibert, Poclain** and **Paribas**.

Declining against the general trend were **Codetel, CFDE, Auxiliaire D'Entreprises, Kali** and **Chiers**.

Germany

Bourse prices were inclined to soften in a small turnover, leaving the Commerzbank index 2.2 off at 784.1.

Stock market activity in Frankfurt was partly depressed by the start of Easter school vacations this week in Germany, with many market participants also taking time off during the school holiday. Because of the low volume of trading, dealers said, few price changes had any great significance.

Chemicals, mentioned as a stable investment sector in several recent stock market advice newsletters, were generally little changed. **BASF** *shed 40 pfennigs, but* **Bayer** gained DM 1.00.

Among Banks, **Dresdner Bank** lost DM 1.00 despite an announcement by the chairman that the bank had its second best year in 1978. **Deutsche Bank**, whose results are expected this week, eased 60 pfennigs, and **Commerzbank** declined DM 1.20.

In Motors, **BMW** receded DM 1.30, while Steels had **Mannesmann** also DM 1.30 lower.

Horten declined DM 4 and **Karstadt** DM 3 among Stores.

In the Domestic Bond market, Public Authority issues lost up to 35 pfennigs. The Bundesbank bought DM 23.3m of paper. Mark Foreign Loans were little changed.

Australia

Stocks made a mixed showing *in quiet trading, with Resources* stocks and selected Industrials attracting most of the interest.

Oils provided a mainly firm sector, with **Woodside Petroleum** rising 3 cents to 88 cents on news of a gas flow from the Pueblo One well being drilled on the *Northwest Shelf*.

Bridge Oil put on 4 cents to A$1.68 and **Offshore Oil** also improved a few cents after reporting that gas flowed from their Silver Springs Five well in Central Australia.

Market leader **BHP**, however, which recently attracted a good deal of speculative buying on its oil exploration interests, declined 15 cents to A$11.45 ahead of going ex-dividend and ex-bonus on Thursday.

Hamersley retreated 10 cents to A$2.50 in continued reaction to news that it is closing down its *pellet* plant after the loss of a sales contract with Japanese steel mills.

Elsewhere in Minings, bright spots included **Bougainville Copper**, 6 cents up at A$2.04, **CRA**, 5 cent harder at A$3.65, and **Western Mining** 3 cents firmer at A$2.38.

Helped by expectations of an increase in the sugar price, **CSR** moved ahead 13 cents to A$3.68.

Associated Pulp and Paper gained 5 cents to A$1.80, but Retailers **David Jones** receded 4 cents to A$1.08.

Hong Kong

Stock prices edged further ahead on fresh selective institutional buying in moderate trading. The Hang Seng index closed 3.12 higher at 534.55.

Swire Pacific "A" finished 5 cents harder at HK$8.05 ahead of the results, due later in the day.

HK Wharf rose 50 cents to HK$34.00, **Jardine Matheson** 10 cents to HK$11.90 and **Hutchinson Whampoa** 7½ cents to HK$4.15.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
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Indices

NEW YORK—DOW JONES

	Apr. 6	Apr. 5	Apr. 4	Apr. 3	April 2	Mar. 30	1979 High	1979 Low	Since Compil'tn High	Since Compil'tn Low
● Industr'ls	875.69	877.60	869.80	868.35	855.25	862.18	877.69 (5/4)	807.00 (27/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	84.58	84.63	84.62	84.55	84.61	84.59	85.50 (2/2)	84.05 (15/1)	—	—
Transport.	234.08	232.82	231.55	230.19	225.35	225.17	234.08 (5/4)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	104.84	104.87	104.94	104.15	103.82	104.19	104.94 (6/4)	98.10 (2/1)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's	34,710	34,520	41,840	33,580	28,040	30,140	—	—	—	—

● Day's high 884.01 low 871.88

Ind. div. yield %	Mar. 30	Mar. 23	Mar. 16	Year ago (approx
	5.74	5.75	5.80	6.16

STANDARD AND POORS

	Apr. 6	Apr. 5	Apr. 4	Apr. 3	April 2	Mar. 30	1979 High	1979 Low	Since C'mpil'tn High	Since C'mpil'tn Low
‡Indust'ls	115.24	115.59	114.65	114.57	112.61	113.38	115.59 (5/4)	107.08 (27/2)	134.54 (11/1/73)	3.52 (30/6/32)
§Composite	103.18	103.26	102.66	102.40	100.90	101.59	103.26 (5/4)	96.13 (27/2)	125.85 (11/1/73)	4.40 1/6/32

	April 4	Mar. 28	Mar. 21	Year ago (approx).
Ind. div. yield %	4.97	4.99	5.03	5.39
Ind. P/E Ratio	8.70	8.65	8.58	8.48
Long Gov. Bond Yield	8.99	8.98	9.02	8.52

N.Y.S.E. ALL COMMON

April 6	Apr. 5	Apr. 4	Apr. 3	1979 High	1979 Low
58.04	58.06	57.71	57.55	58.05 (5/4)	53.88 (27/2)

Rises and Falls	April 6	April 5	Apr. 4
Issues Traded	1,901	1,901	1,919
Rises	722	907	915
Falls	704	560	595
Unchanged	475	434	409
New Highs	—	75	106
New Lows	—	12	14

MONTREAL

	April 6	Apr. 5	Apr. 4	Apr. 3	1979 High	1979 Low
Industrial	248.70	248.44	247.80	242.51	250.91 (27/3)	218.12 (2/1)
Combined	250.98	250.35	249.17	248.14	250.88 (5/4)	225.30 (2/1)
TORONTO Composite	1475.1	1472.1	1465.8	1462.3	1475.1 (5/4)	1315.3 (2/1)
JOHANNESBURG Gold	—	250.7	253.6	258.5	296.7 (7/2)	247.0 (12/1)
JOHANNESBURG Industrial	—	325.0	322.3	320.3	325.8 (5/4)	278.5 (2/1)

	Apr. 9	Pre-vious	1979 High	1979 Low
Australia (¶)	561.78	562.17	587.65 (19/3)	546.72 (3/1)
Belgium (‖)	108.58	108.45	106.58 (9/4)	98.80 (3/1)
Denmark (**)	95.67	95.64	95.31 (2/4)	88.32 (8/1)
France (††)	80.1	78.9	80.1 (9/4)	71.6 (15/2)
Germany (‡‡)	784.1	786.3	859.6 (16/1)	774.2 (28/3)
Holland (§§)	76.1	76.8	85.9 (24/1)	75.8 (21/3)
Hong Kong (¶¶)	534.55	531.45	568.90 (5/2)	495.83 (2/1)
Italy (‖‖)	72.09	72.81	78.46 (26/3)	68.36 (2/1)
Japan (a)	439.54	443.07	462.97 (31/1)	439.54 (9/4)
Singapore (b)	386.57	379.82	385.57 (9/4)	346.34 (23/2)

	Apr. 9	Pre-vious	1979 High	1979 Low
Spain (d)	(c)	107.19	111.96 (8/3)	93.05 (12/1)
Sweden (e)	370.11	367.87	401.34 (6/2)	362.06 (2/1)
Switzerld (f)	318.8	318.5	321.6 (20/3)	294.0 (3/1)

Indices and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. *a* Tokyo New SE 4/1/68. *b* Straits Times 1966. *c* Closed. *d* Madrid SE 29/12/78. *e* Stockholm Industrial 1/1/58. *f* Swiss Bank Corporation. *u* Unavailable.

Amer. Tel. & Tel. 278,800 61¼ + ¼

NEW YORK

Apr. 5	Stock	Apr. 6
33¾	Abbott Labs	33¾
15¾	AM International	15¾
25⅞	Adobe Oil & Gas	24¾
45⅛	Aetna Life & Co.	44½
28¼	Air Products	28⅝
37	Alcan Aluminium	36⅝
54¾	Alcoa	54⅜
17¾	Alleg. Ludlum	17¾
57¼	Corning Glass	57¼
51	CPC Int'rnation'l	51½
32	Crane Co.	31⅝
30⅛	Crocker Nat'l	30⅛
24⅞	Crown Zellerb'h.	24¾
36⅝	Cummins Engine	36½
16⅛	Curtiss Wright	15⅞
27	Dana	27⅝
24⅛	Johns Manville	24½
70	Johnson Johnson	70½
30¼	Johnson Control	31⅜
34½	Joy Manufacturing	34⅝
25¼	K. Mart	25½
20⅝	Kaiser Aluminium	21⅛
2¼	Kaiser Industries	2⅜
29¼	Kaiser Steel	30¼
16¼	Kaneb Services	16⅛
16	Kay	15⅞
49⅞	Revlon	49¾
38¼	Reynolds Metals	[illegible]
[illegible]	Reynolds R.J.	58⅝
[illegible]	Rich'son Merrell	[illegible]
39⅝	Rockwell Inter	[illegible]
37⅜	Rohm & Haas	37½
68¼	Royal Dutch	[illegible]
10⅞	RTE	10⅞
10¼	Ross Togs	10⅛
25⅝	Woolworth	25⅝
5½	Wyly	6⅛
59⅜	Xerox	57¾
17	Zapata	17⅜
15¼	Zenith Radio	15
†95⅜	U.S. Treas.4% '80	†95⅝
†80⅞	USTreas4¼%75/85	†80⅞
9.46%	U.S. 90-day bills.	9.59%

Apr. 5	Stock	Apr. 6
11¾	Combustion Eg.	11¾
[illegible]	C'M'wth Edison	25⅛
44⅝	Comm. Satellite	44⅜
13⅝	ComputerScienc	13
37⅛	Conn Life Ins	37½
17¼	Conrac	16½
24⅛	Con. Edison NY	24
25¼	Consol Foods	23¼
40⅛	Consol Nat. Gas	39⅝
22⅝	Consumer Power	22⅜
28¾	ContinentalGr'up	28¼
34⅜	Continental Oil	34⅜
16¼	Continental Tele	16⅝
34⅝	Control Data	34⅝
47	Cooper Indus.	47⅛
52½	Ingersoll Rand	52½
39½	Inland Steel	39½
15	Insilco	15
320.75	IBM	318.5
23½	Intl. Flavour	23
39⅛	Intl. Harvester	40¼
[illegible]	Intl. Min & Chem	45½
19⅝	Intl. Multifoods	20
20¼	Inco	20⅜
46¼	Intl. Paper	46⅜
11⅞	Intl. Rectifier	11¾
29⅜	Intl. Tel & Tel	29
43⅛	Iowa Beef	43⅝
12	IU International	12
31½	Jim Walter	31¼
28	Plessey Ltd ADR.	22½
40¼	Polaroid	39⅜
13⅝	Potomac Elec.	13⅝
27⅝	PPG Industries	27¾
81¼	Procter Gamble	80½
21⅝	Pub. Serv. Elec.	21⅝
32⅝	Pullman	32½
16⅝	Purex	16¾
24¼	Quaker Oats	24½
15½	Rapid American	15½
45⅝	Raytheon	45
27½	RCA	27½
28	Republic Steel	27⅝
48½	Resorts Intl	49⅝
27⅝	Wagreen	27
24	Wallace Murray	23¾
37⅛	Warner-Commn.	37⅛
24	Warner Lambert	23½
30½	Waste-Man'ment	30⅝
28¼	Wells Fargo	29⅝
26⅝	Western Bancorp	26⅝
30	Western N.Amer.	30⅛
19⅛	Western Union	18⅝
19⅛	Westing'he Elec.	18⅞
32	Weyerhaeuser	31½
19⅜	Whirlpool	19⅛
22⅞	White Con. Ind	25
19¼	William Co.	19⅜
25⅝	Wisconsin Elect.	25⅛

CANADA

Apr. 5	Stock	Apr. 6
29⅝	Steel of Canada	29⅝
5.75	Steep Rock Iron.	5.80
14⅛	Teck Corpn. 'B'	14⅛
58	Texaco Canada	59¼
23	Toronto Dom.Bk.	23
19⅝	TransCanPipeLn	19¾
10¼	TransMount Pipe	10½
†19	Trizec	†19
11	Union Gas	11
9⅞	UntdSiscoe Mines	10
45¼	Walker Hiram	45⅛
13⅜	West Coast Trans	13½
23½	Weston (Geo.)	23⅜

† Bid. ‡ Asked. § Traded. ‖ New stock.

GERMANY ◆

Apr. 9	Price DM.	+ or —	Div. %	Yld. %
AEG	64.8	+0.3	—	—
Allianz Versich.	460	—2	31.2	3.4
BMW	229.7	—1.3	28.12	6.1
BASF	137	—0.4	18.75	6.8
Bayer	139.8	+1	18.75	6.7
Bayer.Hypo	266	—0.5	28.12	5.3

TOKYO ¶

Apr. 9	Prices Yen	+ or —	Div. %	Yld. %
Asahi Glass	548	—3	14	2.0
Canon	580	—13	12	1.0
Casio	795	—30	25	1.6
Chinon	400	—6	20	2.5
Dai NipponPrint	568	—4	18	1.6
Fuji Photo	541	—9	15	1.2
Hitachi	245	—10	12	2.4
Honda Motors	541	—14	18	1.7

AUSTRALIA

Apr. 9	Aust. $	+ or —
ACMIL (25 cents)	†0.66	—
Acrow Australia	†1.05	+0.05
AMATIL $1	†2.40	—
Ampol Exploration	†1.60	—
Ampol Petroleum	†0.71	—
Assoc. Minerals	†1.65	—
Assoc. Pulp Paper $1	†1.80	+0.05

STOCKHOLM

Apr. 9	Price Kronor	+ or —	Div. Kr.	Yld %
AGA AB (Kr. 40)	192	+2	6	3.1
Alfa Laval(Kr.50)	150	—2	6	4.6
ASEA(Kr.50)	68.6	+0.6	5	7.4
Atlas Cop. Kr25	105	+2	7	6.7
Billerud	55	+1	—	—
Bofors	125	+5	5	4.0
Cardo	175	+2	5.75	3.3
Cellulosa	250	+2	11	4.4

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.374.20	—	—	—	—	1	3.50	F.364.30
AKZ C	F.27.50	10	2.80	—	—	—	—	F.29.90
AKZ C	F.30	—	—	10	1.00	4	2.70	"
AKZ C	F.32.50	1	0.10	25	0.90	—	—	"
ARB C	F.70	—	—	3	5.90	—	—	F.74.80
HO C	$30	—	—	—	—	15	5	F.32.90
HO C	F.32.50	14	1	21	2.20	3	3.10	"
HO C	F.35	—	—	19	1.10	14	2	"
HO C	F.37.50	—	—	20	0.50	—	—	"
HO C	F.40	—	—	44	0.30	—	—	"
IBM C	$320	15	3¼	2	14⅝	5	21⅞	$318½
KLM C	F.100	11	7	5	11.50	3	12.90	F.107
KLM C	F.110	35	1.30	11	6.30	32	7.40	"
KLM C	F.120	20	0.10	26	2.60	1	4.80	"
KLM C	F.130	28	0.10	10	1.40	—	—	"
KLM C	F.140	—	—	—	—	4	1.10	"
KLM P	F.100	5	0.50	—	—	24	2	"
KLM P	F.110	—	—	—	—	81	5.50	"
NN C	F.110	3	1.70	—	—	10	5	F.110
PHI C	F.22.50	—	—	2	2.10	6	2.40	F.24.20
PHI C	F.25	—	—	80	0.70	150	1.20	"
PHI C	F.27.50	—	—	—	—	55	0.50	"
PHI P	F.25	7	0.80	—	—	—	—	"
PSA C	F.360	6	35	—	—	—	—	F.393.50
PSA C	F.380	6	12	—	—	—	—	"
PSA C	F.400		—	—	—	6	26	"
PSA C	F.440	5	0.10	—	—	—	—	"
RD C	F.130	19	8.60	10	9	—	—	F.138.60
RD C	F.135	1	3.70	—	—	15	5.20	"
RD C	F.140	105	0.90	37	2	10	2.80	"
RD P	F.140	—	—	20	6	—	—	"
UNI C	F.120	3	9.10	—	—	—	—	F.129
UNI C	F.130	15	1	12	2.20	—	—	"
XON C	$50	2	3¾	—	—	—	—	$53⅛
		May		Aug.		Nov.		
BA C	$70	22	2	—	—	—	—	$85⅜
SLB C	$100	—	—	1	11½	—	—	$106¾

TOTAL VOLUME IN CONTRACTS 1116

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	12 %
Allied Irish Banks Ltd.	12 %
Amro Bank	12 %
American Express Bk.	12 %
A P Bank Ltd.	12 %
Henry Ansbacher	12 %
Associates Cap. Corp.	14 %
Banco de Bilbao	12 %
Bank of Credit & Cmce.	12 %
Bank of Cyprus	12 %
Bank of N.S.W.	12 %
Banque Belge Ltd.	12 %
Banque du Rhone et de la Tamise S.A.	12½%
Barclays Bank	12 %
Bremar Holdings Ltd.	13 %
Brit. Bank of Mid. East	12 %
Brown Shipley	12 %
Canada Perm't Trust	12 %
Cayzer Ltd.	12 %
Cedar Holdings	12 %
■ Charterhouse Japhet	12½%
Choulartons	12 %
C. E. Coates	12 %
Consolidated Credits	13 %
Co-operative Bank	*12 %
Corinthian Securities	12 %
Credit Lyonnais	12 %
The Cyprus Popular Bk.	12 %
Duncan Lawrie	12 %
Eagil Trust	12 %
English Transcont.	12½%
First Nat. Fin. Corp.	15 %
First Nat. Secs. Ltd.	14 %
■ Antony Gibbs	12 %
Greyhound Guaranty	12 %
Grindlays Bank	‡12 %
■ Guinness Mahon	12 %
■ Hambros Bank	12 %
■ Hill Samuel	§12 %
C. Hoare & Co.	†12 %
Julian S. Hodge	13 %
Hongkong & Shanghai	12 %
Industrial Bk. of Scot.	12½%
Keyser Ullmann	12 %
Knowsley & Co. Ltd.	13½%
Lloyds Bank	12 %
London Mercantile	12 %
Edward Manson & Co.	13 %
Midland Bank	12 %
■ Samuel Montagu	12 %
■ Morgan Grenfell	12 %
National Westminster	12 %
Norwich General Trust	12 %
P. S. Refson & Co.	12 %
Rossminster	12 %
Royal Bk. Canada Tst.	12 %
Schlesinger Limited	12 %
E. S. Schwab	13 %
Security Trust Co. Ltd.	13 %
Shenley Trust	15 %
Standard Chartered	12 %
Trade Dev. Bank	12 %
Trustee Savings Bank	12 %
Twentieth Century Bk.	13 %
United Bank of Kuwait	12 %
Whiteaway Laidlaw	12½%
Williams & Glyn's	12 %
Yorkshire Bank	12 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 9½%. 1-month deposits 9¾%.
† 7-day deposits on sums of £10,000 and under 9½%, up to £25,000 10% and over £25,000 10¼%.
‡ Call deposits over £1,000 9½%.
§ Demand deposits 9½%.

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COMMODITIES and AGRICULTURE

Cocoa at 14-month low

By Richard Mooney

LONDON COCOA futures prices fell to their lowest levels for 14 months yesterday as disappointment at the latest U.S. demand figures, published on Friday, continued to depress the market.

Dealers also thought the strength of sterling had tended to encourage the fall which pushed July cocoa down to £1,566.5 a tonne at the close.

Fundamental considerations in the cocoa market have been "bearish" for some time but until last week dealers had failed to breach support levels at a little over £1,600 a tonne.

Producer selling eventually pushed nearby prices below the £1,600 mark, however, and the lower levels were quickly consolidated when the U.S. Chocolate Manufacturers' Association announced that January/March cocoabean grindings were 3.5 per cent below the figure for the first quarter of 1978.

Traders noted there was some underlying support yesterday, however, which they attributed to reports that pod rot was affecting the Brazilian crop.

● In Accra the Ghana Cocoa Marketing Board said main crop purchases in the 26th week of the 1978-79 season (ended April 5) totalled 306 tonnes, bringing the cumulative total so far this season to 246,615 tonnes, reports Reuter.

Danger as Britain scraps potato import ban

BY CHRISTOPHER PARKES

BOWING BEFORE a recent ruling from the European Court of Justice, the British Government lifted its ban on imports of maincrop (old) potatoes at midnight last night.

The Common Market Commission, in a flurry of activity, cut import charges on new potatoes sent from Cyprus to Britain, scrapped plans to raise duties on tomatoes from Spain and banned imports of apples from Chile.

Raising the potato ban has laid the British market open to the potentially depressing impact of supplies from Holland, Belgium and France.

Prices, depressed for much of the current season, have recovered lately following the disposal of surpluses.

If the open frontiers encourage a heavy flow of potatoes across the Channel the market for home-grown produce could be hit hard and the cost to the Government of maintaining the guaranteed price could rise sharply.

Traders did not expect any sudden flood of potatoes, but prices in Britain at the moment could prove attractive to enterprising shippers.

UK farmers are currently earning up to £90 a tonne for best quality potatoes. The price in Scotland goes up to £100, while in Holland potatoes bagged for export are selling at £52.

Belgian farmers are earning £50 at most, French £53, and West Germans between £36 and £41.

Even allowing for shipping costs, estimated at £25 a tonne, the price differential could well prove tempting.

Following pressure from Britain and resistance from Italy, the Commission in Brussels has agreed to allow Cyprus to send new potatoes to the UK at preferential duty rates. Until May 15 the duty will be charged at only 40 per cent of normal levels.

The reduction is retroactive and will apply to potatoes shipped from April 1, fruit trade sources said. The campaign is now expected to start for further reductions to apply from mid-May to the end of June.

Last Friday the Commission announced a new countervailing duty on tomatoes imported into the Community from Spain. In Britain the levy would have raised import prices 4p a pound.

According to the National Federation of Fruit and Potato Trades however, the duty has been scrapped.

The charges were raised following an unusually heavy flood of tomatoes from Spain into France last week which pushed prices down and raised protests among French growers.

Rather than pay the extra charges, the Spanish exporters are understood to have reduced their shipments "voluntarily" thus easing the pressure on EEC producers' prices.

Margaret Van Hattem writes from Brussels: the Commission has decided to ban imports of apples from Chile to the Community between April 25 and August 15 following Chile's refusal to reduce shipments voluntarily.

Commission officials estimate that by April 25, Chile's apple exports to the EEC for this year will have reached 40,000 tonnes, the unofficial "voluntary" quota allocated in negotiations last week between the Community and its five main southern hemisphere apple suppliers.

During these talks, the other four participants reluctantly agreed to cut back their shipments. But the Community, which still has a large apple surplus left over from last year's bumper crop, feared that Chile's refusal to participate might undermine this agreement.

● At the end of February EEC apple stocks totalled 1.5m tonnes, the highest since Britain joined the Community, and 40 per cent higher than at the same time last year.

The stock in Britain was 88,000 tonnes compared with 41,000 tonnes.

Strike at copper mine to continue

By Our Commodities Staff

THE SURPRISE rejection of a new pay offer by workers at Noranda's mine in Gaspe, Canada, boosted copper prices on the London Metal Exchange yesterday afternoon.

Most traders had been expecting acceptance and an end to the six-month-old stoppage at the mine following a settlement last weekend at Canadian Copper Refiners and Noranda Metals.

Cash wirebars closed £8.25 higher at £1,049.25 a tonne and three months rose £9.75 to £1,049.25. Cash cathodes gained £5 a tonne and three months £5.50, both closing at £1,046.50.

The Gaspe workers, on strike since last October, voted to reject the latest offer and hold out for their demands for parity with the workforce elsewhere in the Noranda group.

Tin prices, strong in pre-market trading reflecting an increase in the Penang price at the weekend, lost ground later in the morning when the decline in LME warehouse stocks turned out to have been less than expected.

The continuing strength of sterling also helped to stem the increases, traders said. Three months standard grade tin closed £10 a tonne lower at £7,132.5 and cash metal gained £25, closing at £7,400.

Stocks of copper in LME warehouses fell 7,025 tonnes last week to 247,425 tonnes. Tin reserves fell only 190 tonnes to 1,530 tonnes.

Lead stocks rose 500 tonnes to 18,250 and zinc fell 3,975 tonnes in line with expectations to 69,150 tonnes. Aluminium holdings increased 75 tonnes to 14,000 tonnes and silver reserves dropped 290,000 troy ounces to 20.97m troy ounces.

Foot-and-mouth outbreak over

PARIS — The French Agriculture Ministry said yesterday the outbreak of foot-and-mouth disease in the rich farmlands of the Calvados area of Normandy had been eradicated.

The epidemic began two weeks ago and more than 2,500 cattle, sheep, pigs and goats were destroyed in a five-mile radius around the city of Bayeux, Reuter reports.

MAURITIAN AGRICULTURE

Sugar alone not enough

BY A CORRESPONDENT

THE ECONOMY of Mauritius—based on sugar since the crop's introduction by the Dutch in 1839—is being diversified.

Despite the current production target of 800,000 tonnes of sugar by 1980, compared with present output of 700,000 tonnes, the country is finding it difficult to make ends meet.

The sugar industry employs more than 30 per cent of the population and the crop covers 92 per cent of the total area of cultivated land. At the height of the world boom in 1974, sugar represented 53 per cent of total gross national product, but this fell to 30 per cent by 1977.

Among the sugar producing nations Mauritius is considered to have organised its marketing policy cleverly. It was quick to join the Yaoundé Convention in 1971 and was a leading member of the African, Caribbean and Pacific countries' protocol on sugar which was annexed to the Lomé Convention, signed in February 1975.

It was granted a considerable sugar quota to supply the EEC yearly with 500,000 tonnes, the largest consignment from any of the ACP suppliers.

At present this quota is earning around £220 a tonne, compared with the remainder of the Mauritian production sold on the world market at £110 a tonne or less.

However, this goes mainly to America and Canada, traditionally supplied by Mauritius under an old agreement which is still honoured. Home consumption holds at around 40,000 tonnes.

The eventual return to the Mauritian producer is not far different from that of the European sugar beet grower—or so the Mauritians believe. For out of the £220 a tonne comes freight at £15 a tonne, leaving the producer with about £200 after meeting other costs.

Costs of production have risen sharply, however. Labour alone rose by 17 to 20 per cent in 1977 and 30 per cent the previous year. Total direct costs were estimated to be £145 a tonne of sugar in 1976 and are nearer £195 a tonne now.

Diversification plans have proceeded slowly and many hopes have been dashed along the way, mainly through lack of enthusiasm, planning and expertise in anything other than sugar.

When investments were made only four years ago in the string of "dream holiday" hotels it was already late to be building up tourism. The available 900,000 tourist nights are taken up year-round at an average rate of only 55 per cent.

But five years ago the management boards of the sugar estates, many still in private hands, felt it was not important to diversify because their sugar was making money. They now realise that new enterprises must be taken on as an adjunct to their main crop.

Molasses may be converted into alcohol for rum or perfumes, or even produce alcohol substitutes for petrol. It may also be fed, with the by-product cane-tops, to cattle to produce meat and milk.

Surplus cane waste—bagasse—may be made into particle board. Bagasse, burnt as fuel for the vast factory boilers, also produces electricity, providing in 1976 36 Kwh per tonne of sugar or 25m units of electricity for the national grid.

Lack of organisation in marketing produce has lead to a wide differential between producer prices and market prices. Facilities for processing and storage have been set up by companies involved in freezing, drying and canning, but production and throughput are still low.

Poultry farming has been the greatest success in livestock production. Output is now 2,800 tonnes a year and annual consumption has grown to three kilos a head.

The pig industry recently came to grief through lack of co-ordination betwen production harassed by high costs of imported feed, and processing and marketing which were entirely unplanned.

Beef production fell from 2,000 tonnes in 1968 to 1,100 tonnes in 1977. But new feed techniques of production using by-product sugar-cane tops with molasses and urea, together with imports of store cattle from South Africa and the recent opening of a new abattoir should eventually lead to more efficient centralised marketing and an improved return to the producer.

Milk production on a large scale based also on cane and molasses is still in the prototype stage. Hopes are also high for production of deer on the marginal hill lands followed by intensive fattening in feedlots.

Main elements of rubber pact agreed

BY BRIJ KHINDARIA IN GENEVA

AN INTERNATIONAL natural rubber agreement is to be concluded under an accord of principle reached here yesterday among the main rubber-producing and consuming countries.

More work must be done before the pact can be signed but the likely agreement's main provisions have now been agreed along the lines of suggestions made last week by Mr. Peter Lai of Malaysia, chairman of the rubber conference, which began here 10 days ago.

Under the accord so far a total buffer stock of 550,000 tonnes, including 150,000 tonnes in contingency stocks, will be established. This figure compares with a total stock of 500,000 tonnes sought earlier by the producers and 600,000 tonnes sought by the U.S.

The world price of rubber would be stabilised around a reference price level of 210 Singapore/Malaysian cents a kilo. Buffer stock managers will be free to intervene if they wish when the actual price moves by 15 per cent around the reference price.

They will be obliged to intervene when the price moves by 20 per cent.

Under the buffer stock mechanism, the managers will buy natural rubber when prices plunge and will sell when prices rise too strongly.

The financial requirement for the agreement is estimated at about U.S.$420m. One-third of this will be deposited with the Common Fund established under a separate agreement reached in Geneva last month.

Rubber is one of the commodities linked to the Common Fund as part of the integrated programme of commodities being negotiated under auspices of the United Nations Conference on Trade and Development (Unctad).

The agreement on rubber was helped by significant concessions from the U.S. to the rubber-producing countries at the start of th enegotiations.

The likely provision in the agreement will state that any country has the right to ask for consultations, and the International Rubber Council, which will be created to oversee the agreement, will be free to make recommendations.

This formulation means producer countries are not obliged to consult consumer countries nor are they bound by any recommendations made by the council.

In return, the producer countries have agreed that the consumer nations need not conduct any deliberate policies aimed at harmonising the rate of growth of synthetic rubber industries with that of the natural rubber industry.

The Soviet Union is the only country not to have stated clearly its position under the planned agreement so far. It has repeatedly said that it wants a clause containing commitments by producer countries to maintain minimum agreed supply levels in times of high prices. But this has not been conceded.

Unions shelve plan to block hide trade

BY OUR COMMODITIES STAFF

UNIONS representing British leather workers have shelved plans to enforce a unilateral ban on hides and skins exports while awaiting the outcome of high-level talks in Brussels.

Escalating prices this year have threatened the existence of some British tanneries and trade unions have threatened action to prevent the export of hides.

Mr. John Smith, the UK trade secretary, put the case for restriction of exports to an EEC committee last week but the committee, while expressing sympathy for the UK plea, said it required further information before any action could be taken.

Though they are disappointed at the delay the National Union of Footwear, Leather and Allied Trades, the Transport and General Workers' Union and the Municipal and General Workers' Union have agreed to hold any planned unilateral action in abeyance until after the next committee session.

Rain boosts grain prices

By Our Commodities Staff

GROWING UNEASE about the future of the new season grain crops boosted futures prices for wheat and barley in London yesterday.

Recent heavy rain in the main cereal growing areas of Britain, followed by flooding in some regions, has further delayed the already late spring sowings.

The land is also too wet to allow farmers to spread fertiliser on winter-sown crops or to fill the gaps caused by winter frosts.

Futures prices of old season barley gained £1.40 while new season prices rose 85p a tonne.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Moved ahead on the London Metal Exchange. After opening at £1,048 forward metal rose to £1,054 on the early pre-market owing to fresh speculative buying. However, reports that Noranda workers had accepted new contracts prompted a sharp reversal in the price which dipped to the day's low of £1,043. In the afternoon, news that workers at Noranda's Gaspe plant had voted to stay out on strike saw the market rise afresh to close at the day's high of £1,054. Turnover: 20,225 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1046-7	+8.25	1049-.5	+8.25
3 months	1048.5-7	+8.75	1049-.5	+9.75
Settl'm'nt	1047	+8.5	—	.....
Cathodes				
Cash	1043-.5	+8.25	1046-7	+5
3 months	1043-4	+8.25	1046-7	+5.5
Settl'm'nt	1045	+10	—	.....
U.S. Smt.	—	.....	*[illegible]	.....

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,048, 47.5, 46.5; three months £1,048, 49, 50, 48, 57, 48, 47, 48, 47, 47.5, 48, 47.5, 47. Cathodes, early-May £1,044. Kerb: Wirebars, three months £1,046, 46, 44, 43.5, 44. Afternoon: Wirebars, cash £1,049.5, three months £1,044, 43, 44, 43.5, 43, 42.5, 42, 42.5, 52, 51, 50.5, 50, 49, 50, 49.5. Cathodes, cash £1,046, three months £1,047. Kerb: Wirebars, three months £1,050, 49, 50, 51, 50.5, 51, 51.5, 52, 53, 53.5, 54.

TIN—Barely changed in quiet trading with forward metal falling from £7, on the early pre-market—reflecting the strength of the Penang market—to close at £7,120 on the late Kerb following a lower than expected stocks decline, coupled with hedge selling and the firmness of sterling. Turnover: 1,585 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7370-90	+30	7380-420	+25
3 months	[illegible]	.....	7170-200	+15
Settlem't	7390	+20	—	.....
Standard				
Cash	7360-90	+35	7380-420	+25
3 months	7130-40	—2.5	7130-5	—10
Settlem't	7390	+40	—	.....
Straits. E	‡1981	+31	—	.....
New York	—			.....

Morning: Standard, three months £7,150, 60, 50, 60, 40, 30. High Grade cash £7,390. Kerb: Standard, three months £7,135, 20. Afternoon: Standard three months £7,135, 30, 40, 35. High Grade, three months £7,170. Kerb: Standard, three months £7,130, 40, 20.

LEAD—Gained ground with sentiment aided by the rise in copper. Forward metal opened around the £540 level and thereafter edged up to touch £544 before closing at £541.5. Turnover: 8,775 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	573-4	+2.25	575-7	+8
3 months	541-2	+5	543.5-4	+4.25
Sett'ment	574	+2.5	—	.....
U.S. Spot.	—	.....	*44	.....

Morning: Cash £576, 75, 73, three months £543, 42, 43, 44, 43, 42. Kerb: Cash, £574, three months £542. Afternoon: Three months £541, 42, 43, 43.5, 44. Kerb: Three months £543, 42, 41.

ZINC—A shade easier in quiet and routine trading, with forward metal finally £396 after extremes of £389 and £398. Turnover: 2,850 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	384.5-5	—2	384-5	—1.5
3 months	395-6	—2.25	395-6	—1.25
S'ment	385	—2	—	.....
Prim.west	—	.....	*37.5	.....

Morning: cash £385, three months £398, 97.5, 96, 97, 96, 95.5. Afternoon: Three months £394, 94.5, 95, 97, 96. Kerb: Three months £395, 96.

ALUMINIUM—Steady following the trend in copper. Forward metal rose to £760 initially but came under pressure from the downturn in copper and firmer sterling which depressed the price to £753. However, a rally in the former prompted a similar trend in aluminium and the price recovered to close at £755, after £756. Turnover: 3,150 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	751-2	—1.5	751-3	+1
3 months	754-5	—1	753-4	.....

Morning: Three months £758, 57, 58, 56, 55, 53, 54. Afternoon: Three months £754, 53, 56, 55, 54. Kerb: Three months £754, 55.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

CORAL INDEX: Close 530-535

INSURANCE BASE RATES

† Property Growth	11¼%
† Vanbrugh Guaranteed	10%

† Address shown under Insurance and Property Bond Table.

COMPANY NOTICES

AMERICAN EXPRESS COMPANY (CDRs)

The undersigned announces that the Fourth Quarter Report per 31st December 1978 of American Express Company will be available in Amsterdam at Amsterdam-Rotterdam Bank N.V., Algemene Bank Nederland N.V., Bank Mees & Hope N.V., Pierson, Heldring & Pierson N.V., Kas-Associatie N.V.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, 3rd April, 1979.

CANADIAN PACIFIC LIMITED
(Incorporated in Canada)
NOTICE TO SHAREHOLDERS

The Ninety-eighth Annual General Meeting of the Shareholders of this Company, for the election of directors to take the places of the retiring directors and for the transaction of business generally, will be held on Wednesday, the 2nd day of May next, at Le Château Champlain, Place du Canada, Montreal, at eleven a.m. (daylight saving time, if operative).

The transfer books of shares and stock will be closed at the close of business on Tuesday, the 24th day of April, 1979, and will be reopened on Thursday, the 3rd day of May, 1979.

The Board of Directors has specified that the time before which a shareholder intending to vote by proxy at the Annual General Meeting or any adjournment thereof must deposit his proxy with the office of the Vice-President and Secretary at Montreal, Que., shall be five p.m. (daylight saving, if operative), Monday, April 30th, 1979.

By Order of the Board.
J. C. AMES,
Vice-President and Secretary.
Montreal, March 12th, 1979.

REPUBLIC OF COSTA RICA
Floating Rate Note Issue of US$ 20,000,000 April 1978/85

The rate of interest applicable for the six months period beginning on April 10th, 1979, and set by the reference Agent is 11⅜% annually.

THE RANK ORGANISATION LIMITED
NOTICE TO THE HOLDERS OF 4¼ PER CENT CONVERTIBLE LOAN 1933

ADJUSTMENT OF CONVERSION PRICE

NOTICE IS HERBY GIVEN pursuant to Clause 5 (B) (9) of the Trust Deed constituting the above Convertible Loan that, following the issue by the Company of Ordinary shares by way of rights on 19th February, 1979, the Conversion Price, as defined in Condition (4) (a) of the First Schedule to the said Trust Deed, has been adjusted in accordance with the provisions of Condition 4 (f) thereof so that the Conversion Price is now 518p per 25p nominal of Ordinary share capital of the Company.

By Order of the Board,
B. C. OWERS.
London W1X 8AE

Dated: 9th April, 1979
Registered Office:
11, Hill Street.

THE ZENITH CARBURETTER COMPANY LIMITED

NOTICE IS HEREBY GIVEN that subject to approval in General Meeting a Dividend of 5.25 per cent tax imputed will be payable on the 15th May, 1979, in respect of the year 1978 to shareholders of "A" and "B" shares registered at 3.00 pm on the 17th April, 1979.

Coupons numbered 56 relative to "A" share warrants to bearer will be paid at the offices of the Company's Registrars, The General Agency & Trust, Granby House, 95, Southwark Street, SE1 0JA, on or after 15th May, 1979. The coupons will be accepted from authorised depositories only.

By Order of the Board
F. W. SUMNER,
Secretary.
Honeypot Lane,
Stanmore, Middlesex.
April, 1979.

SILVER

Silver was fixed 3.85p an ounce higher for spot delivery in the London bullion market yesterday at 358.15p. U.S. cent equivalents of the fixing levels were: Spot 749.1c, up 9.8c; three-month 766.2c, up 9.4c; six-month 782.2c, up 9.5c; and 12-month 807.2c, up 10.0c. The metal opened at 357¾-358¾p (747-749c) and closed at 360¾-361¾p (754-756c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	358.15p	+3.85	353.9p	+7.25
3 months	367.1p	+4.0	362.45p	+7.8
6 months	375.2p	+4.1	—	——
12 months	388.1p	+4.15	—	——

LME—Turnover 412 (115) lots of 10,000 ozs. Morning: Three months 367.7, 7.8, 7.7, 7.2. Kerbs: Three months 367.2. Afternoon: Three months 367.4, 70, 70.3, 70.5, 70.8, 70.5. Kerbs: Three months 370.3, 70.5, 70.7, 1, 1.5, 2, 2.5, 2, 1.8.

COCOA

In quiet conditions values drifted throughout the day closing near to the lows, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
May	1580.0-82.0	—12.5	1599.0-77.0
July	1566.0-67.0	—12.0	1585.0-65.0
Sept.	1596.0-97.0	—17.5	1613.0-1594
Dec.	1665.0-66.0	—22.5	1680.0-64.0
March	1698.0-1700	—24.5	1715.0-1698
May	1715.0-18.0	—28.0	1735.0-18.0
July	1735.0-40.0	—28.5	1755.0-38.0

Sales: 4,357 (3,695) lots of 15 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price April 6 150.09 (148.17). Indicator prices for April 9: 15-day average 150.09 (150.87); 22-day average 151.94 (152.72).

COFFEE

London coffee futures opened sharply higher as Commission House and trade buying added strength to the recent underlying bullish sentiment, reports Drexel Burnham Lambert. In the afternoon values fluctuated in a narrow range in fair volume and on the cob buying from one source contributed towards an irregular tone.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1515-1518	+24.5	1520-1497
July	1477-1480	+24.0	1490-1466
September	1478-1479	+22.0	1490-1472
November	1473-1475	+16.5	1492-1475
January	1473-1474	+19.0	1495-1474
March	1469-1470	+22.0	1481-1467
May	1460-1465	+24.0	—

Sales: 4,036 (7,165) lots of 5 tonnes.

ICO Indicator prices for April 6 (U.S. cents per pound): Colombian Mild Arabicas 135.50 (same); unwashed Arabicas 144.00 (same); Robustas ICA 1968 138.00 (138.50); Robustas ICA 1976 137.00 (137.50); other Mild Arabicas 133.00 (131.50); Composite daily average 134.03 (138.50).

GRAINS

LONDON FUTURES (GAFTA)—Old crops opened 25-30p higher. Both wheat and barley saw good buying interest and the market rallied to trade 125-130p higher at lunch. In the afternoon session some profit-taking was seen initially but the market remained steady and closed firm, £1.40-£1.50 higher on the day. New crops opened 40p up and saw good trade, especially in the nearbys, and values closed steady, 80-110 up on wheat and 85-90 up on barley, Acli reported.

M'nth	WHEAT Yesterday's close	+ or —	BARLEY Yesterday's close	+ or —
May	103.00	+1.5	98.95	+0.4
Sept.	94.80	+1.1	87.95	+0.8
Nov.	97.15	+1.95	91.05	+0.85
Jan.	100.35	+0.7	94.50	+0.[illegible]
Mar.	103.20	+0.7	97.50	+0.[illegible]

Sales: 178.

Business done: Wheat: May 103.00-101.90, Sept. 94.20-93.50, Nov. 97.15-96.50, Jan. 100.50-100.15, March 103.30-102.90. Sales: 374. Barley: May 99.00-97.85, Sept. 88.10-87.45, Nov. 91.30-91.05, Jan. 94.75-94.05, March nil.

HGCA—Location ex-farm spot prices. Feed barley: Central Scotland 96.00, Cambridge 93.60.

The UK monetary coefficient for the week beginning April 16 (based on HGCA calculations) is expected to decrease to 1.211.

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted: U.S. Dark Northern Spring No. 2 14 per cent April-mid May 80.50, May 80.50, June 78.75 transhipment East Coast. U.S. Hard Winter 13½ per cent unquoted. EEC unquoted. Maize: U.S./French April 112.00, May 113.00 transhipment East Coast. South African White unquoted: South African Yellow, May 77.00 nominal. Barley: English feed fob April 99.50, May 100.50, June 101.50, Oct.-Dec. 92.50, Jan.-March 97.75 East Coast.

RUBBER

EASIER opening on the London physical market. Quiet throughout the day, closing uncertain. Lewis and Peat reported a Malaysian godown price of 271½ (273) cents a kg (buyer, May).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
May	60.85-60.[illegible]	61.00-61.25	60.60
June	61.10-61.25	61.70-62.00	61.60-61.50
Jy-Sept.	62.55-62.75	63.40-63.50	63.00-62.00
Oct-Dec	64.80-64.85	65.25-65.30	65.20-64.90
Jan-Mar	66.45-66.55	66.75-66.80	[illegible]
Apr-Jne	68.00-68.05	68.25-68.30	68.05
Jy-Sept.	69.60-69.90	69.90-69.95	—
Oct-Dec	71.50-71.40	71.70-71.75	71.50-71.00
Jan-Mar	73.40-73.45	73.45-73.50	73.50-73.30

Sales: 203 (439) lots of 15 tonnes, 5 (8) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 58.5p (60.5p); May 63p (63.5p); June 63p (63.5p).

JUTE

JUTE—Quiet. April c and f Dundee BWC £346, BWD £229, BTC £249, BTD £231. C and f Antwerp April BWB $545, BWC $601, BWD $468, BTB $550, BTC $511, BTD $478. Jute goods steady. C and f Dundee April, 40 in 10 oz £11.97, 40 in 7.5 oz £9.39. "B" twills £32.71.

SOYABEAN MEAL

The London market opened stronger with some nervous short-covering, reported T. G. Roddick. Gains were tempered by firmer sterling but good underlying support held the market to close near the highs.

	Yesterday Close	+ or —	Business Done
	£ per tonne		
April	116.80-21.0	+1.0	—
June	125.20-25.4	+1.05	125.70-124.80
August	127.20-27.4	+1.05	127.80-127.00
October	126.00-27.0	+1.75	126.40-126.00
December	124.50-25.0	+0.75	124.80
February	124.50-25.5	+0.75	—
April	125.80-28.0	+0.75	—

Sales: 133 (138) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £97.00 (same) a tonne cif for March-April shipment. White sugar daily price was fixed at £102.00 (£101.50).

Currency factors produced an easier tone at the opening and in the absence of any definite news regarding the outcome of Iran's tender, prices tended to drift. Final quotations were the lows of the day, some 100 points below first traded levels, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
May	102.80-02.85	103.85-03.90	102.60-02.65
Aug	106.55-06.70	107.90-07.95	108.00-06.60
Oct	108.70-09.75	110.80-10.85	111.05-09.65
Dec	112.70-12.75	113.80-13.95	113.75-12.50
March	116.80-17.10	117.70-17.75	117.75-17.55
May	119.10-19.40	119.75-19.90	119.65
Aug	122.95-25.25	125.00-23.40	—

Sales: 3,113 (2,752) lots of 5 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £279.50 (£284.85) a tonne for home trade and £157.50 (£170.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Price for April 6. Daily 8.00 (8.14). 15-day average 8.36 (8.39).

WOOL FUTURES

SYDNEY GREASY—Close (in order buyer, seller, business, sales). Micron Contract: May 397.0, 400.0, 398.0-398.0, 13; July 405.5, 406.0, 406.5-405.0, 13; Oct. 403.0, 405.0, 404.5-402.5, 23; Dec. 404.0, 404.5, 404.3-404.0, 9; March 408.0, 409.0, 408.2-408.0, 2; May 408.0, 409.5, 409.0-408.0, 10; July 410.5, 412.0, 412.0-411.0, 2; Oct. 414.5, 415.0-412.0, 7. Sales: 79.

LONDON GREASY—Close (in order seller, buyer): May 245, 240; July 253, 247; Oct. 255, 250; Dec. 255, 250; March 255, 250; May 255, 250; July 255, 250; Oct. 255, 250. Sales nil.

NEW ZEALAND CROSSBREDS—Close (in order seller, buyer): May 198, 194; July 202, 198; Oct. 203, 200; Dec. 207, 205; March 209, 203; May 209, 203; July 209, 203; Oct. 209, 203. Sales nil.

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 168 tonnes. Buyers were reluctant to look far ahead, but modest weights of American-type growths were sought. Unevenness in prices was the deterrent and little increased business was recorded.

*

TEA—A total of 50,532 packages were offered at yesterday's London auction. Demand was stronger and more general. Price indications: Quality 125p per kilo (123p): medium 108p (108p): plain 78p (same).

*

GRIMSBY FISH—Supply good, demand fair. Prices at ship's side (unprocessed) per stone: Shelf cod £3.60-£4.60, codlings £2.50-£3.50; large haddock £4.30, medium £3.20-£4.10, small £2.00-£3.00; large plaice £3.30, medium £3.20-£3.50, best small £3.50-£3.90; large skinned dogfish £9.00, medium £7.00; large lemon soles £8.00, medium £7.00; saithe £2.00-£2.50.

PRICE CHANGES

In tonnes unless otherwise stated.

	Apr. 9 1979	+ or —	Month ago
Metals			
Aluminium	£710	....	£710
Free Mkt (cs)	$1,560-[illegible]	....	$1,475/85
Copper			
Cash w'bar	£1049.25	+8.25	£998.5
3 mth	£1049.25	+9.75	£1,011.25
Cash Cathode	£1046.5	+5.0	£98.6
3 mth	£1046.5	+5.5	£1,002.5
Gold troy oz	$240.825	+0.75	$241.125
Lead cash	£575	+8.0	£588.5
3 mth	£543.75	+9.25	£534.25
Nickel	£2480.56	....	£2,530.68
Freemkt(cif)(lb)	255/85c	+10.0	$210/25c
Platin'm tr'y oz	£159	....	£184.5
Free mkt	£188.8	+3.5	£190.15
Quicksil'ver	$255/65	+0.05	$230/40
Silver troy oz	358.15p	+3.85	363.9p
3 months	367.1p	+4.0	373.1p
Tin cash	£7,400	+25.0	£7,520
3 mths	£7,132.5	—10.0	£7,210
Tungsten	$137.32	....	$134.1
Wolfrm 22.04 cif	$131/35	—1.5	$142/49
Zinc cash	£384.5	—1.5	£388
3 months	£395.5	—1.25	£398.75
Producers	$800	....	$800
Oils			
Coconut (Phil)	$1,050	+25.0	$1,060
Groundnut	‡	....	‡
Linseed Crude	£410	—10.0	£395
Palm Malayan	$674x	+9.0	$670
Seeds			
Copra Philip	$700r	....	$675
Soyabean (U.S.)	$314.85r	+6.85	$514.4
Grains			
Barley Futures	£97.95	+0.9	£95.7
Maize			
French No 3 Am	£112	+1.0	£110
Wheat			
No. 1 Red Spg.	‡	....	‡
No2HardWint.	‡	....	£89.25
Eng. Milling†	£101.5	....	£98
Other commodities			
Cocoa ship't	£1,617	—11.5	£1,743
Future July	£1,566.5	—12.0	£1,715.75
CoffeeF't'rJuly	£1,478.5	+24.0	£1,457
Cotton A'index	73.3c*	....	75.15c
Rubber kilo	59.5p	—1.0	57.5p
Sugar (Raw)	£97	....	£103
Wooltp's 64s kl	286p	—2.0	286p

* Nominal. † New crop. ‡ Unquoted. p April-May. q May-June. r May. s June-July. April-June. u June. x Per ton. z Indicator. § Buyer.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on week ending April 7. GB cattle 72.87p per kglw (+0.31). UK sheep 178.7p per kg estdcw (+9.2). GB pigs 60.4p per kglw (+1.3). England and Wales—Cattle numbers up 6.3 per cent, average price 73.39p (+0.32). Sheep numbers down 6.8 per cent, average price 180.0p (+11.0). Pig numbers up 3.2 per cent, average price 60.3p (+1.3). Scotland: Cattle numbers down 12.6 per cent, average price 71.08p (—0.02). Sheep numbers up 20.2 per cent, average price 162.8p (+3.5). Pig numbers down 7.5 per cent, average price 62.3p (—0.5).

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—Spania: Navels 3.00-3.20, Bloods 3.00-3.10; Israeli: Shamouti 4.40-5.50; Cyprus: 3.60-4.30; Moroccan: Valencia Lates 3.70-3.80. Lemons—Italian: 120's 4.80-5.00; Cyprus: Trays 3.40-4.30; Spania: Trays 30/40/45 1.80-2.20, boxes 4.60. Grapefruit—Cyprus: 2.50-4.20; Israeli: Jaffa 27/88 3.45-4.25. Apples—S. African: Dunn's 5.60-6.00, Golden Delicious 6.80-7.00, Starking 8.00; French: Golden Delicious (40-lb) 138/175's 3.30-4.40, (20-lb) 72's 2.10-2.20, 84's 1.70-1.90, (jumble pack) per pound 0.08-0.10. Starkrimson (40-lb) 138/198's 4.00-5.20, (20-lb) 84's 2.00-2.30, 72's 2.40-2.50, (jumble pack) per pound 0.08-0.10; Starking (40-lb) 150/175's 3.60-5.00; Italian; Granny Smith per pound 0.10-0.11; Washington: Red Delicious 40-lb 10.00-11.00. Pears—S. African: Cases 40-lb Packham's 8.40. Beurre Bosc 6.60, Beurre Hardy 6.80-7.20; Carton 34/35-lb Beurre Hardy 6.00-6.20, Beurre Bosc 5.80-6.00; Italian: Passacrassana trays 14-lb 2.10-2.30; Chilean: Anjou 7.50-7.75. Plums—S. African: Per pound Kelsey/Songold 0.45-0.48, Golden King 0.50. Bananas—Jamaican: Per 26-lb 4.50-4.70. Pineapples—S. African: 10/11's 3.60-4.30; Ivory Coast: each 0.40-0.90. Grapes—S. African: Cartons, Salba 5.80, Waltham Cross 6.50, Barlinka 6.00. Strawberries—Per 8 oz Israeli: 0.50; Spania: 0.55. Avocados—Israeli: 3.50-3.60; S. African: 4.00-4.40. Melons—Chilean: White 15 kg 5.50, Green 8/11 6.00; S. African: Small boxes 2.50-3.00; Colombian: Green 4.60. Onions—Dutch: 1.80-2.40; S. African: 22-lb 1.80; Hungarian: 55-lb 2.40; Italian: 4.80; Canadian: 50-lb 3.00; Polish: 55-lb 2.50-3.50; Chilean: 5.00-6.00. Tomatoes—Canary: 3.50-5.50; Jersey: Per pound 0.50-0.55. Cucumbers—Canary: 10/16's 2.20-2.60; Dutch: 12/16's 2.60-2.80; Romanian: 3.00. Cauliflowers—French: 24's 8.30-8.50; Jersey: 8.00-8.30. Lettuce—Dutch: 24's 3.40-3.60. Celery—Spanish: 15/36's 4.50-5.20. Cabbages—Dutch: White, net 6.60-7.00. Potatoes—Canary: 25-kg 4.40-4.50; Egyptian: 50-lb 4.30-4.40; Cyprus: 4.50. Capsicums—Canary: 5-kg 5.50; Cuban: 3.50; Dutch: 5.80.

English Produce: Potatoes—Per 25-kg 1.70-2.20. Lettuce—Per 12 round 1.80-2.00. Mushrooms—Per pound 0.40-0.50. Apples—Per pound Bramley 0.05-0.10; Cox's Orange Pippin 0.07-0.16; Laxtons 0.04-0.06. Pears—Per pound Conference 0.12-0.17. Beetroot—Per 28-lb 0.80-0.90. Carrots—Per 28-lb 1.20-1.60. Onions—Per 28-lb 1.20-2.80. Rhubarb—Per pound 0.16-0.22. Swedes—Per 28-lb 1.00-1.30. Turnips—Per 28-lb 1.40-1.50. Parsnips—Per 28-lb 1.00-1.20. Sprouts—Per pound 0.20-0.22. Cucumbers—Tray 12/16's 2.60-3.00. Tomatoes—Per pound 0.52-0.55.

MEAT COMMISSION—Average fatstock prices at representative markets on April 9. GB cattle 73.10p per kg l.w. (+0.08); UK sheep 183.0p per kg. est.d.c.w. (+9.5); GB pigs 59.3p per kg. l.w. (—0.8). England and Wales: Cattle numbers up 17.7 per cent, average price 73.72p (—0.01); Sheep numbers up 20.3 per cent, average price 187.3p (+8.0); Pig numbers up 22.0 per cent, average price 59.2p (—0.8). Scotland: Cattle numbers up 11.7 per cent, average price 70.37p (+0.34); Sheep numbers down 15.1 per cent, average price 162.4p (—1.4); Pig numbers up 17.6 per cent, average price 63.1p (—1.7).

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 54.0 to 58.0, Eire hindquarters 70.0 to 72.0, forequarters 35.0 to 38.0.

Veal: English fats 52.0 to 74.0, Dutch hinds and ends 90.0 to 92.0.

Lamb: English small new season 90.0 to 102.0, medium new season 84.0 to 100.0, heavy new season 84.0 to 94.0. Imported frozen N.Z. PL new season 49.5 to 50.0, PM new season 48.5 to 49.0.

Hoggets: English 36.0 to 78.0, Scottish 36.0 to 78.0.

Pork: English, under 100 lb 35.5 to 45.0, 100-120 lb 35.0 to 43.5, 120-160 lb 33.0 to 42.0.

Bigger Indian oilseed output forecast

INDIAN OILSEED production in the 1978-79 season could reach 11.37m tonnes against 10.43m in 1977-78, mainly due to bigger rapeseed, mustardseed, groundnut and cottonseed crops, according to "Oilworld," the Hamburg-based weekly.

The rape/mustardseed harvest this season is estimated at about 2m tonnes against 1.6m last year, groundnuts at 4.4m against 4.2m and cottonseed at 2.5m tonnes compared with 2.4m last year.

This increase in production of vegetable oils combined with larger opening stocks of 610,000 tonnes this season may reduce Indian oils and fats imports to 950,000 tonnes in the 1978-79 year (October to September) compared with 1.27m tonnes in 1977-78.

Oilworld says the decline in imports could be mainly during the March to September period when domestically produced oils will be more readily available.

Imports or rapeseed during the year are expected to reach 200,000 to 250,000 tonnes compared to 125,000 in the previous year

Malaysia deplores U.S. tin release

KUALA LUMPUR—Malaysia's primary industries minister, Paul Leong said Malaysia is resigned to the fact the U.S. will probably release tin from its stockpile this year, but he believes the release should be done in a manner to cause minimum disruption to the market.

In a statement on the recent approval by the U.S. House of Representatives for the disposal of 35,000 tonnes of stockpiled tin from the General Services Administration (GSA) reserve, Mr. Leong said while he deplored the move, he accepted the U.S. was acting within its rights.

But he said that as the U.S. is a member of the International Tin Council, its disposals of stockpiled tin are subject to article 43 of the fifth international tin agreement which requires that disposals can only be made after consultations with the Council and that due regard be given to the protection of tin producers, processors and consumers against avoidable disruption.

Reuter

INDICES

FINANCIAL TIMES

Apr. 6	Apr. 5	M'nth ago	Year ago
273.15	271.47	273.57	235.66

(Base: July 1, 1952=100)

MOODY'S

Apr. 6	Apr. 5	M'nth ago	Year ago
1046.2	1048.6	1073.9	906.6

(December 31, 1931=100)

DOW JONES

Dow Jones	Apr. 6	Apr. 5	Month ago	Year ago
Spot	377.42	376.44	382.02	360.56
F'tur's	384.27	384.20	387.06	349.74

(Average 1924-25-26=100)

REUTERS

Apr. 9	Apr. 6	M'nth ago	Year ago
1554.2	1554.7	1542.1	1436.2

(Base: September 18, 1931=100)

EUROPEAN MARKETS

ROTTERDAM, April 9.

U.S. No. 2 Dark Hard Winter wheat unquoted. U.S. Hard Winter wheat ordinary, April-May $151, June $149, July $147, Aug. $148. U.S. No. 2 Hard Winter wheat, June $146, July $142.50, Aug. $143.50, Sept. $144.50. U.S. No. 2 Northern Spring wheat 14 per cent, May $150, June $147.50, July-Aug. $148.

PARIS, April 9.

Cocoa (FFr per 100 kilos). May 1,405-1,409, July 1,400 bid, Sept. 1,455-1,460, Dec 1,465 bid, March 1,485 bid, May 1,500 bid. Sales at call: 6; accumulative total, 23.

Election pointers stimulate small interest in markets

30-share index gains 6.1 to 531.4 and long Gilts rise ½

Account Dealing Dates

*First Dealings	Declarations	Last Dealings	Account Day
Mar. 26	Apr. 5	Apr. 6	Apr. 18
Apr. 9	Apr. 19	Apr. 20	May 1
Apr. 23	May 3	May 4	May 15

* "New time" dealings may take place from 9.30 am two business days earlier.

Selective investment support encouraged by the Conservative's lead in the weekend election polls gave stock markets yesterday a firm start to the Easter trading Account. Leading shares began with a resumption of Friday's after-hours' recovery trend and were soon a few pence higher at levels which were subsequently maintained although the volume of business in the later trade was much lower than recently.

FT-ACTUARIES INDICES

The input of a wrong price for Sun Life Assurance last Friday led to incorrect figures being shown for that day's Life Insurance, Financial Group and All-share indices. The figures have been corrected for today's display.

Government stocks also started at the enhanced levels reached when dealings were resumed late on Friday after the usual recess following the announcement of *a new tap stock, but reverted to* list prices on spasmodic selling before moving up again to settle at, or near, the day's highest. Sterling's latest strength was an underpinning influence.

Longer-dated issues fared best with closing gains extending to a full point, while the mediums were restrained by the presence of the new tap: subscription lists for the stock, **Exchequer 11 per cent 1991**, open tomorrow at a minimum tender price of £97 with only £15 payable on application. Owing to a morning bout *of liquidation, the shorts* surrendered earlier rises prior to rallying late and and closing a shade up on balance.

Company announcements and weekend Press recommendations aroused interest, but few really outstanding features emerged. **Rowntree Mackintosh** rose 11 to 419p on preliminary figures in excess of best expectations and the extra incentive of a one-for-one scrip issue. Glaxo, on the other hand, were sensitive all day and, after the official close, slipped 22 to 538p following *disappointment with the first-half* results.

Official markings gave a guide to the general contraction in trade, yesterday's 5,024 comparing with the recent daily average of 8,444. The FT 30-share index almost doubled a rise of 3.2 at the first calculation to close 6.1 *up at the day's highest of 531.4.*

Early demand for investment currency for the purchase of U.S. securities raised rates to around 54½ per cent, but when interest faltered the premium reacted to close only ¼ higher on balance at 53 per cent. Yesterday's SE conversion factor was 0.8122 (0.8147).

Only 816 contracts were recorded in Traded options, the lowest number for over a month. **Cons. Gold Fields** were the most active issue with 202 trades.

Hambro Life jump

The better-than-expected preliminary profits and share-slimming proposals helped **Hambro Life** jump 65 in a thin market to 580p *and induced firmness* in other Life Insurance companies. Second thoughts about last Friday's annual results prompted a gain of 12 to 274p in **Pearl**, while **Equity and Law** gained a similar amount to 230p and improvements of 6 and 8 respectively were seen in **Prudential**, 179p xd, and **Legal and General**, 183p xd. **Matthews Wrightson** *added 7 to 194p but* **Minet** softened 3 to 185p; the latter's annual figures are due today.

Buoyed by the impressive set *of annual figures produced by its* associated concern Hambro Life, **Hambros Bank** fetaured the banking sector with a rise of 18 to 253p. **Corinthian** hardened 2 to 39p *following Press comment* and for the same reason **Provident Financial** put on 7 to 115p.

Breweries opened the account in a firm mood, with **Allied** rising 2 at 98p and **Guinness** 5 to 198p. Among *Distilleries*, slightly improved interim profits from **Highland** had no apparent effect on the shares which held at 96p. Renewed rumours that Mr. James Gulliver intends to take a stake in the company prompted support for **Amalgamated Distilled Products** which rose 5½ to 39½p.

A better trend developed in the Building sector with **Blue Circle**, 348p, and **Taylor Woodrow**, 394p xd, rising 8 and 13 in the leaders. Elsewhere, **Brown and Jackson** featured with a jump of 54p in a limited market to 500p awaiting Thursday's preliminary results. **Wettern Bros.** advanced 7 more to 137p on news that **Marshalls (Halifax)** had acquired a 27.8 per cent stake in the company and intends to seek Wettern's recommendation for a bid. Marshalls eased 3 further to 159p. **Bryant Holdings** responded to the good interim statement with a rise of 4 to 65p, after 68p.

ICI traded on a quietly firm note at 394p, up 2, while **Fisons** also made a little progress in the *Chemical* sector with a gain of 5 to 305p.

F. W. Woolworth up

Quietly firm Stores were featured by a late upsurge in **F. W. Woolworth** which rose 6 to 80p, after 81p, on the announcement that Brascan has made a bid for the American *parent company*. **UDS** *gained* 4 to 114p, after 115p, while **Marks and Spencer** hardened 3 to 117p as did **British Home**, to 234p. After last Friday's speculative surge on news that the eagerly awaited interim results are being brought forward to tomorrow, **Burton** issues saw early buying but succumbed to profit-taking and closed easier on *balance: the Ordinary ended* 5 off at 345p, while the Warrants dipped 10 to 164p, after 184p. Press comment attracted buyers to **Freemans** which added 6 to 174p and **Helene of London** 12 per cent convertible Preference which closed 25 to the good at 290p. Support was again forthcoming for **Bambers** which put on 13 more to 305p xd, while **MFI** *attracted fresh speculative attention* and closed 25 better at 375p following the approval of the group's proposed re-organisation.

Revived demand left **AB Electronic** up 10 at 230p xd, while **Racal** were also noteworthy with a gain of 15 to a fresh peak for the year of 477p. **Crellon**, a poor market last week on the passing *of the Preference dividend*, rallied 2 to 13p. Buyers showed interest in **Lec Refrigeration**, 5 to the good at 80p, and **Dubilier**, 1½ dearer at 31p. **GEC** edged up to close 8 higher at 411p, while *Thorn firmed 6 to 428p.* **Decca** Ordinary and A held at 420p and 395p respectively; news of a U.S. court decision that the company is entitled to judgment in respect of $39.4m came well after the market's close.

The Engineering leaders traded on a quietly firm note and still benefiting from last week's good preliminary results, **GKN** firmed 8 to 276p xd. Occasional support lifted **John Brown** 10 to 553p, while **Hawker Siddeley** hardened 4 to 254p awaiting tomorrow's annual statement. Elsewhere, **Aurora** responded to the good results with a rise of 8 to 99p, while trading statements were also responsible for firmness in **Blackwood Hodge**, 3 up at 59p.

Reporting preliminary profits at the higher end of market expectations and a 100 per cent scrip issue, **Rowntree Mackintosh** touched 422p before settling for a net rise of 11 to 419p. Elsewhere in firm Foods, **Cadbury Schweppes** continued in demand and added 2½ for a three-day gain of 8½ at 63p. **William Morrison** also rose 8½, to 157p xd, while **Morgan Edwards** put on 9 to 112p. **United Biscuits** closed 5 to the good at 91p following news of the $60m acquisition of the U.S. Specialty Brands.

Trust Houses Forte attracted a good level of business and rose 8½ in its ex-the-scrip issue form to close at 178p.

First-half profits nearly £4m below general estimates brought about a late reaction in **Glaxo** which fell to close 22 down at 538p. Other miscellaneous industrial leaders ended quietly firm with **Pilkington** particularly notable for a fresh advance of 17 to 387p on further consideration of the group's plan to spend £30m modernising and expanding the insulation division of its Fibreglass subsidiary. **Reed International** firmed 6 to 190p and **Bowater** 5 to 197p. Elsewhere, **Philip Harris** rose 13 to 138p on a resurgence of speculative buying in a thin market, while **Office and Electronic** rose 14½ to 160p xd following speculation concerning the late chairman's 15 per cent shareholding. *Week-end* Press mention led to rises of between 5 and 8 in **Wilkins and Mitchell**, 43p, **Sharna Ware**, 157p xd and **Winn Industries**, 65p xd, while buying ahead of next Tuesday's results left **Reed Executive** 9 higher at 114p.

In a firm Leisure sector, **Ulster Television "A"** stood out with a Press-inspired rise of 8 to 89p, while **London Pavilion** were marked up a point to £14 following the results.

Interest in Motor sectors was mainly confined to those reporting trading statements. **Dorada** featured Garages, rising 6 to 98p on the improved annual profits and dividend coupled with a proposed 1-for-10 scrip issue. **Manor National** firmed 1½ to 31½p on the preliminary statement, while **Lex Service** improved 2½ to 98½p following favourable Press comment. **Wilmot-Breeden**, in the process of resisting a bid approach from Rockwell, reported the expected drop in profits but rose 2 to 113p on the accompanying statement.

Among Publishers, **W. N. Sharpe** put on 9 to 197p while **A and C. Black** firmed 3 to 168p the latter on increased preliminary profits. **More O'Ferrell** encountered speculative demand and rose 6 to 126p, after 129p.

Bolstered by the trend towards lower interest rates, Properties started the new Account firmly. Press comment attracted buyers to **British Land** which rose 3½ to 78p and to the 12 per cent Convertible 2002, 14 points higher at £263. **Great Portland Estates** added 6 to 282p and **Stock Conversion** improved 4 to 350p as did **MEPC**, 182p.

Oil shares passed a fairly lively session, particularly secondary issues where week-end Press mention stimulated buying interest in **Tricentral**, which advanced 19 to 212p xd and **Oil Exploration** 14 higher at 252p. Among the leaders, **British Petroleum** edged up to close *10 dearer at a peak of 1200p*, while **Shell** became a steadier market at 750p, up 2, after recent dullness on the halving by the Price Commission of the company's proposed oil price increase.

In Overseas Traders, second thoughts on the half-time statement lifted meat traders **J. E. Sanger** 6 to 38p.

Gains were fairly widespread throughout Trusts. Assisted by Press mention, **Jove Income** firmed 3½ to 55p and **British Empire Securities** ½ to 14½p. Among Financials, **Majedie** improved 5 to 90p, while **Yule Catto** rose 3 to 81p following the annual review. **Armour Trust** were quoted ex rights at 19p, with the new shares at 8½p premium.

Gaskell (Bacup) continued to benefit from the good annual profits and capital proposals, jumping 38 for a two-day rise of 52 to 215p.

Hopes that the long-awaited statement concerning a merger between the Barlow group of companies might soon be made, lifted selected *Plantations*. **Bradwall**, with full-year figures due tomorrow, put on 8 to 71p, while **Sungei Krian** firmed a similar amount to 108p. **Chersonese** added 4 to 58p xd.

Quiet Mines

Mining markets made a quiet start to the week. The steadiness of the investment premium after *its recent slide and the firmness* of the bullion price failed to inspire South African Golds, which showed minor movements either way.

The Gold Mines index hardened 0.1 to 146.4 but in ex-premium form it gave up 1.4 to 118.9. **Elandsrand** fell 5 to 266p following labour unrest on the eve of its opening ceremony.

London-registered Financials edged higher reflecting the strength of UK equities and the firmness of base-metal prices. **Gold Fields** attracted a fair amount of interest and ended 5½ firmer at 222 ex-dividend, while **Rio Tinto-Zinc** gained a like amount at 303p. **Selection Trust** rose 4 to 554p in front of the annual results, which are expected today.

Australians generally made progress in the wake of overnight gains in domestic markets. Favourable Press mention on the Gold Fields 10 per cent stake in **North Broken Hill** left the latter 3 higher at 108p. Rumours that the April progress report from the Ashton venture is imminent prompted a good demand for **Ashton Mining**, which rose 3 to 73p, while **Northern Mining** hardened a penny to 64p.

Base-metal producers did well with **Bougainville** and **Western Mining** 5 up at 135p and 160p respectively.

On the other hand, iron ore miners lost further ground reflecting the shut down of Hamersley's pellet plant in Western Australia. **Hamersley** fell 10 more to 165p while **Robe River** lost another 5 to 70p.

FINANCIAL TIMES STOCK INDICES

	April 9	April 6	April 5	April 4	April 3	April 2	A year ago
Government Secs.	75.32	75.06	74.77	74.54	75.21	75.68	73.92
Fixed Interest	76.58	76.51	76.19	76.19	76.25	76.30	77.85
Indust	531.4	525.3	532.7	523.8	525.3	532.2	465.3
Gold Mines	146.4	146.3	147.8	148.0	149.1	152.4	150.7
Gold Mines(Ex-$ pm)	118.9	120.3	120.4	119.3	119.7	120.7	103.1
Ord. Div. Yield	5.42	5.46	5.33	5.42	5.39	5.34	5.82
Earnings Yld. % (full)	14.36	14.49	14.16	14.38	14.31	14.16	16.99
P/E Ratio (net) (*)	8.85	8.78	9.00	8.86	8.91	9.00	8.12
Dealings marked	5,024	7,192	5,466	6,275	7,630	8,883	4,668
Equity turnover £m.	—	148.58	138.74	122.68	121.23	104.05	48.19
Equity bargains total	—	27,579	30,714	32,097	34,091	27,970	11,102

10 am 528.5. 11 am 529.8. Noon 529.4. 1 pm 530.4. 2 pm 530.7. 3 pm 530.7.

Latest Index 01-246 8026.

* Nil=8.52.

Basis 100 Govt. Secs. 15/10/26. Fixed int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.68 (2/4)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	76.58 (9/4)	66.03 (15/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	540.8 (25/3)	446.1 (12/2)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	183.8 (6/2)	136.2 (10/1)	442.5 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm)	126.5 (26/3)	95.2 (12/1)	337.1 (3/4/74)	54.3 (25/6/75)

S.E. ACTIVITY

	April 9	April 6
—Daily		
Gilt Edged	89.6	119.1
Industrials	195.5	279.7
Speculative	34.7	37.0
Totals	114.4	153.7
5-d'y Av'r'ge		
Gilt Edged	102.5	105.3
Industrials	237.1	242.4
Speculative	35.6	35.9
Totals	143.8	147.7

LONDON TRADED OPTIONS

Option	Ex'rc'se price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	1050	154	4	222	—	242	—	1198p
BP	1150	54	7	140	—	164	—	"
BP	1200	24	6	100	—	136	—	"
Com. Union	140	29	1	36	—	41	—	168p
Com. Union	160	9	—	19	5	24	3	"
Com. Union	180	1½	—	9	22	14	—	"
Cons. Gold	160	55	—	69	19	—	—	221p
Cons. Gold	180	43	3	49	57	55	—	"
Cons. Gold	200	23	2	35	4	38	—	"
Cons. Gold	220	4½	54	19	87	27	—	"
Cons. Gold	240	1	—	10	36	17	—	"
Courtaulds	100	5	—	14	2	16	2	105p
Courtaulds	110	1	—	9	22	10	6	"
Courtaulds	120	4	—	4	1	6½	—	"
GEC	390	22	65	59	15	72	—	410p
GEC	420	4½	16	41	51	54	—	"
Grand Met.	130	35½	—	43	86	44	—	166p
Grand Met.	140	25½	—	34	—	35	9	"
Grand Met.	160	6½	13	18	41	25	1	"
ICI	390	10	10	31	—	42	—	396p
ICI	420	½	30	16	1	25	1	"
Land Secs	300	5½	7	21	—	33	—	299p
Marks & Sp	100	17	1	26	28	28	—	117p
Marks & Sp	110	7½	4	20	38	22	—	"
Marks & Sp	120	2	—	13	9	18	3	"
Shell	750	12	—	70	2	86	14	760p
Shell	800	3	—	40	6	64	3	"
Totals			225		395		40	

Option	Ex'rc'se price	May Closing offer	May Vol.	August Closing offer	August Vol.	November Closing offer	November Vol.	Equity close
BOC Intl.	70	7	—	8	50	13	8	75p
Boots	240	8	57	16	—	21	—	257p
EMI	120	9	—	19	2	24	—	120p
EMI	160	1	—	4	4	—	—	"
Imperial Gp	80	24	—	28	6	29	—	105p
Imperial Gp	100	6	11	10½	6	14	—	"
RTZ	280	32	17	51	—	66	—	302p
RTZ	300	20	1	40	1	54	—	"
RTZ	330	11	13	26	—	40	—	"
Totals			81		69		8	

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (147)

BRITISH FUNDS (2)
CORPORATION LOANS (1)
COM'WEALTH & AFRICAN LOANS (1)
LOANS (3)
FOREIGN BONDS (1)
BANKS (7)
BEERS (6)
BUILDINGS (12)
DRAPERY & STORES (8)
ELECTRICALS (4)
ENGINEERING (7)
FOODS (5)
HOTELS (2)
INDUSTRIALS (28)
INSURANCE (4)
LEISURE (5)
MOTORS (6)
NEWSPAPERS (1)
PAPER & PRINTING (3)
PROPERTY (7)
SHIPPING (1)
SOUTH AFRICANS (1)
TEXTILES (4)
TRUSTS (14)
OILS (6)
RUBBERS (4)
MINES (4)

NEW LOWS (33)

LOANS (1)
FFI 14pc 1979

AMERICANS (11)
American Express, Ford Motor, Barnes Group, I.B.M. Corp., Bendix Corp., Singer, Burroughs Corp., Time Inc., CBS, Xerox, Chase Manhattan

CANADIANS (1)
Rio Algom

BANKS (2)
Bank of N.S.W., Commercial Aust.

BUILDINGS (1)
Norwest Holst

FOODS (1)
Kraft

INDUSTRIALS (1)
Baxter Travenol

PROPERTY (1)
HK Land

TEXTILES (4)
Snia Viscosa, Toray Priv., Do. Priv., Youghal

TRUSTS (3)
Rolinco NV, Robeco Sub. Shares, Do. Sub. Shares

OILS (1)
Royal Dutch

MINES (6)
Peko-Wallsend, Randfontein Ests., Ayer Hitam, East Drie., Petaling, Oakbridge

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	63	5	14
Corpns. Dom. and Foreign Bonds	13	9	42
Industrials	540	236	741
Financial and Prop.	220	48	241
Oils	21	3	14
Plantation	14	9	9
Mines	48	29	63
Recent Issues	6	10	20
Totals	925	349	1,144

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr. 2	Apr. 17	Jun. 28	Jul. 10
Apr. 18	Apr. 30	Jul. 12	Jul. 24
May 1	May 14	Jul. 26	Aug. 7

For rate indications see end of Share Information Service.

Money was given for the call in Tricentrol, Fraser Ansbacher, *Premier Oil, Savoy A, Spillers*, Barker and Dobson, New Throgmorton Warrants, P & O, Lee Cooper, Mixconcrete, *Talbex, Keyser Ullmann*, Winn Inds, W. H. Smith A, Hambro Life, Britannia Arrow, Youghal Carpets, Lonrho, Trafalgar House, KCA, Unilever, Scottish *and Newcastle*, Tebitt, L.R.C., Town and City, Edgar Allen and Charterhall. Deals for the put were dealt in Bambers, Christy Brothers and Burton Warrants, while doubles to be arranged included M.Y. Dart deferred, Sears and Britannia Arrow.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
Shell Transport	25p	12	750	+ 2	774	556
Morrison (Wm.)	10p	9	157xd	+ 8½	157	91
BP	£1	8	1,200	+10	1,200	720
Tricentrol	25p	8	212xd	+19	213	148
Burton Warrants	—	7	164	−10	184	40
GEC	25p	7	411	+ 8	420	311
ICI	£1	7	394	+ 2	406	346
Marks & Spencer	25p	7	117	+ 3	117	83
RTZ	25p	7	303	+ 5	390	296
Royal Insurance	25p	7	417	+ 5	425	325
Woolworth (F.W.)	25p	7	80	+ 6	81	62
Allied Breweries	25p	6	98	+ 2	100	80
Bambers Stores	10p	6	305xd	+13	325	113
Beecham	25p	6	693	—	733	592
Burmah Oil	£1	5	120	+ 2	122	82

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div. or Amount	Times Covered	Gross Yield	P.E. Ratio
95	F.P.	—	194	150	‡Appl. Computer	175	−5	[illegible]	0.7	1.0	0.6 21.6
65	F.P.	20/2	174	68	Caledonian Highs	173		[illegible]	7.5	1.6	6.3 14.7
§4	F.P.	16/2	170	118	Hunting Assoc. Defd.	161					
—	F.P.	9/2	43	31	M.Y. Dart Defd.	43	−1				
95	F.P.	20/4	122	97	Sedgwick F.New 10p	115		T5.0	2.1	6.5	10.7

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
—	F.P.	23.3	83p	83p	Chepstow Race's 9% Cnv. Uns. Ln. 1985	85p	
99¼	F.P.	—	99¼	99¼	Cleveland County of Var. Rate 1984	99¼	
—	F.P.	—	52	52	Eng. Assoc. Sterling Fd. Part. Red. Prf.	52	
100	F.P.	4.5	105p	103p	Grant (James) 10¼% Prf.	105p	
—	F.P.	[illegible]	[illegible]	[illegible]	ICFC 13½% Uns. Ln. 1992	[illegible]	
—	F.P.	27.7	101¾	101¼	Lee Valley Water 8% Red. Prf. 1986	101¼	
—	F.P.	11.5	106p	105p	Lyles (S.) 11% Conv. Uns. Ln.	107p	−1
72½	£25	[illegible]	[illegible]	[illegible]	MEPC 6½% Conv. Uns. Ln. 1995-2000	[illegible]	
98	F.P.	21.6	97¼	97¼	Mid-Southern Water 8% Red. Prf. 1984	101¼	
—	F.P.	26.4	160p	106p	Tricoville 10% Cnv. Prf.	106p	−1

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −
200c	Nil	—	10pm	10pm	Abercom Invs.	10pm	
12	Nil	—	4½pm	4pm	Armour Trust	4½pm	
115	F.P.	30.3	160	147	Brammer (H.)	160	
60	F.P.	6.3	84	65	Burco Dean	81	
75	F.P.	30.3	117	101	Cement-Roadstone	115	
52	Nil	—	7½pm	7½pm	Crest Nicholson	7½pm	
50	F.P.	22.3	45	42	Hirst & Mallinson	41	
183	F.P.	23.3	235	210	Johnson Matthey	[illegible]	
220	F.P.	9.3	[illegible]	[illegible]	Macpherson (D.)	[illegible]	
67	F.P.	7.3	[illegible]	[illegible]	Norfolk Cap. Hotels	[illegible]	
47	Nil	—	25pm	23pm	Park Place Invs.	24pm	
44	Nil	[illegible]	[illegible]	[illegible]	Rank Org.	[illegible]	
225	F.P.	12.3	299	252	Rodman Heenan	[illegible]	
52	F.P.	28.3	[illegible]	[illegible]	Sekers Intl.	[illegible]	
42	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
45	F.P.	14.3	37	37	[illegible]	[illegible]	
30	Nil	—	8pm	7pm	Single Holdings	8pm	
100	Nil	—	16pm	12pm	Unicorn Inds.	16pm	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. a Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon., April 9, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Fri., April 6 Index No.	Thurs., April 5 Index No.	Wed., April 4 Index No.	Tues., April 3 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	270.32	+1.1	15.27	5.06	8.86	267.47	270.15	266.17	267.65	202.88
2	Building Materials (27)	255.49	+1.7	15.14	5.26	9.02	251.20	253.25	249.46	250.14	183.50
3	Contracting, Construction (28)	412.27	+0.6	19.25	5.00	7.24	409.78	413.42	405.13	407.84	323.21
4	Electricals (14)	656.15	+1.7	11.89	2.91	11.51	645.31	650.80	644.97	649.02	414.60
5	Engineering Contractors (12)	392.38	+1.0	17.24	5.78	7.84	388.62	395.28	392.70	394.81	291.24
6	Mechanical Engineering (75)	201.51	+0.6	16.70	5.67	7.95	200.25	203.08	200.61	201.20	161.76
8	Metals and Metal Forming (16)	176.76	−0.1	16.67	8.59	7.95	176.97	177.25	171.53	173.94	164.41
	CONSUMER GOODS										
11	(DURABLE) (53)	243.01	+1.4	14.67	4.46	9.05	239.71	242.79	240.25	241.80	187.96
12	Lt. Electronics, Radio, TV (16)	329.98	+1.6	11.49	3.21	12.31	324.79	328.25	324.95	327.83	222.35
13	Household Goods (12)	172.01	+1.1	17.22	6.37	8.02	170.19	171.31	169.72	170.18	170.07
14	Motors and Distributors (25)	125.34	+1.0	21.03	6.74	5.66	124.03	126.38	124.95	125.19	117.86
	CONSUMER GOODS										
21	(NON-DURABLE) (170)	253.09	+1.3	14.06	5.27	9.30	249.78	253.26	249.06	249.91	195.89
22	Breweries (14)	289.00	+1.4	13.18	5.20	9.62	284.97	286.74	279.94	277.36	221.10
23	Wines and Spirits (6)	334.19	+0.4	14.00	4.47	10.42	332.91	338.80	338.78	342.85	247.96
24	Entertainment, Catering (17)	351.05	+2.3	13.30	6.36	10.03	343.27	349.76	343.16	340.00	250.35
25	Food Manufacturing (19)	225.42	+0.5	16.92	5.01	7.74	224.27	225.74	223.53	226.12	189.74
26	Food Retailing (15)	293.55	+1.2	10.98	4.02	12.38	290.04	293.48	287.38	289.76	192.76
32	Newspapers, Publishing (12)	458.05	+0.1	19.67	5.59	7.24	457.39	461.91	455.93	455.29	341.12
33	Packaging and Paper (15)	148.53	+1.8	17.39	7.29	7.43	145.93	147.93	145.99	146.26	128.20
34	Stores (40)	254.06	+1.9	9.94	3.80	14.14	249.31	252.58	247.04	247.16	183.26
35	Textiles (23)	179.18	+0.8	18.21	8.50	7.11	177.79	182.26	181.62	183.19	172.25
36	Tobaccos (3)	266.79	+0.6	21.34	7.71	5.38	265.23	272.24	269.25	272.21	230.87
37	Toys and Games (6)	95.08	+2.6	23.33	6.84	5.05	92.65	92.82	93.72	93.65	101.06
41	OTHER GROUPS (99)	220.81	+0.2	14.55	5.78	8.53	220.32	224.01	222.15	223.17	185.11
42	Chemicals (18)	309.18	+0.4	16.28	6.35	7.18	307.96	312.38	309.16	310.97	254.62
43	Pharmaceutical Products (7)	265.37	−1.0	10.31	4.43	11.83	267.91	273.43	272.76	276.11	243.67
44	Office Equipment (6)	147.65	+1.1	13.69	5.52	9.21	146.03	149.69	148.36	147.50	127.97
45	Shipping (10)	436.76	+0.2	13.05	6.97	9.16	435.88	440.54	437.18	434.10	420.76
46	Miscellaneous (58)	249.14	+0.5	15.67	5.86	8.42	247.78	251.73	249.25	250.02	194.73
49	INDUSTRIAL GROUP (494)	256.54	+1.0	14.53	5.27	8.98	253.99	257.42	253.89	255.02	200.95
51	Oils (6)	670.68	+0.7	11.76	3.24	9.04	666.06	669.79	672.04	669.04	444.12
59	500 SHARE INDEX	290.27	+1.0	14.06	4.93	8.99	287.53	291.03	287.89	288.73	221.36
61	FINANCIAL GROUP (115)	203.53	+1.0	—	5.03	—	201.57	204.78	203.00	202.78	163.05
62	Banks (6)	243.17	+0.9	27.49	4.97	4.73	241.01	244.62	243.32	243.29	191.10
63	Discount Houses (10)	268.11	+1.0	—	6.89	—	265.55	264.26	258.78	256.12	190.73
64	Hire Purchase (5)	182.52	−0.1	17.57	4.84	7.31	182.71	184.39	183.03	184.75	146.72
65	Insurance (Life) (10)	168.07	+2.6	—	6.16	—	163.85	167.05	164.99	164.10	134.09
66	Insurance (Composite) (7)	142.17	+1.0	—	6.57	—	140.72	143.14	142.15	141.74	126.07
67	Insurance Brokers (10)	337.32	−0.5	14.68	5.62	9.79	338.90	347.19	345.35	344.67	332.28
68	Merchant Banks (14)	95.62	+1.4	—	5.47	—	94.32	94.56	93.49	93.41	76.87
69	Property (43)	343.15	+1.0	3.26	2.39	48.62	339.85	345.51	341.29	341.19	224.75
70	Miscellaneous (10)	124.09	—	18.21	6.47	6.84	124.03	123.90	123.56	124.45	106.33
71	Investment Trusts (111)	231.46	+0.6	—	4.84	—	229.99	230.20	229.42	229.34	191.73
81	Mining Finance (4)	130.66	+1.3	14.39	5.45	8.56	128.95	129.80	129.83	129.55	91.07
91	Overseas Traders (20)	365.67	—	13.67	6.89	9.29	365.61	372.41	371.03	372.19	288.14
99	ALL-SHARE INDEX (750)	265.90	+0.9	—	4.99	—	263.47	266.68	264.11	264.62	205.19

FIXED INTEREST PRICE INDICES

	British Government	Mon., April 9	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	107.84	+0.06	0.28	2.50
2	5-15 years	123.94	+0.37	—	1.58
3	Over 15 years	128.95	+0.38	—	3.17
4	Irredeemables	141.73	+0.39	—	1.78
5	All stocks	119.18	+0.18	0.12	2.53

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

			Mon., April 9	Fri., April 6	Year ago (approx.)
1	Low Coupons	5 years	8.99	9.05	7.99
2		15 years	9.99	10.04	10.23
3		25 years	10.70	10.76	10.75
4	Medium Coupons	5 years	10.70	10.73	9.92
5		15 years	11.38	11.46	11.42
6		25 years	11.67	11.76	11.72
7	High Coupons	5 years	11.18	11.17	10.41
8		15 years	11.88	11.85	12.04
9		25 years	12.04	12.05	12.32
10	Irredeemables		10.48	10.52	10.56

		Mon., April 9 Index No.	Mon., April 9 Yield %	Fri., April 6	Thurs., April 5	Wed., April 4	Tues., April 3	Mon., April 2	Fri., Mar. 30	Thurs., Mar. 29	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	59.61	12.46	59.28	59.16	59.25	59.14	58.93	58.84	58.25	60.44
16	Investment Trust Prefs. (15)	51.86	13.65	51.28	51.46	51.64	51.46	51.64	51.64	51.54	50.66
17	Coml. and Indl. Prefs. (20)	73.06	12.73	72.75	72.79	72.78	72.75	72.49	72.14	71.60	72.91

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

هكذا من الأصل

AUTHORISED UNIT TRUSTS

INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund	$US7.38		.....	—

Net asset value April 4

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Gilt Edg.Fd.	£12.22	12.24	....	11.21

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 76077

Cap. Tst. (Jersey)	124	128	.....	—
Next dealing date April 18.				
Gov't Secs. Tst.	96.50	100.00	-0.75	12.50
Next dealing April 17.				
East & Intl.Tst (CI)	99	106	.....	3.54
Next dealing date April 19.				

Australian Selection Fund NV
Market Opportunities, c/o Irish Young & Outhwaite, 127 Kent St., Sydney

US$1 Shares	$US1.48		..	—

Net asset value November 24.

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	$US112.49	113.07	.....	8.18

Prices at April 5. Next sub. day April 11.

Banque Bruxelles Lambert
2, Rue De la Regence B 1000 Bruxells

Renta Fund LF	1,935	1,995	.....	8.02

Barbican Managers (Jersey) Ltd.
P.O. Box 63, St. Helier, Jersey 0534 74806

Barb. Int. Fund	91.8	96.7	.....	3.00

Barclays Unicorn Int. (Ch. Is.) Ltd
1, Charing Cross, St. Helier, Jsy. 0534 73741

Overseas Income	48.9	51.4	.....	11.60
Unidollar Trust	$US11.47	12.05	.....	1.60
Unibond Trust	$US104.48	105.33	.....	8.75

Barclays Unicorn Int. (I.o.Man)
1 Thomas St., Douglas, I.o.M. 0624 4856

Unicorn Aust. Ext.	45.6	49.0	.....	1.80
Do. Aust. Min.	32.6	35.1	.....	1.70
Do. Grtr. Pacific	70.9	76.3	.....	—
Do. Intl. Income	38.9	41.9	.....	8.4
Do. I. of Man Tst.	47.8	51.4	.....	8.80
Do. Manx Mutual	27.5	29.6	.....	1.70

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

ARMAC *March 5	$US40.14	42.67	.....	—
CANRHO **April 2	£1.239	1.314	.....	—
COUNT **April 2	£3.021	3.204	.....	1.63

Originally issued at *$10 and **£1. Next val. April 7.

Bridge Management Ltd.
P.O. Box 508, Grand Cayman, Cayman Is.

N'bashi March 31	Y18,303		.....	—

G.P.O. Box 590, Hong Kong

Nippon Fund April 14	$US18.26	19.04	.....	0.87

Keyser Ullmann Ltd.
25, Milk Street, EC2V 8JE. 01-606 7070

Fonselex	Fr1,374	1,509	+12	2.30
Bondselex	Fr119.70	125.85		—
Cent. Assets Cap	£144.19	144.17	+0.04	—

King & Shaxson Mngrs.
1, Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Grnsy. (0481) 24706
1 Thomas Street, Douglas, I.O.M. (0624) 4856

Gilt Fund (Jersey)	9.92	9.97	.....	11.25
Gilt Trust (I.o.M.)	115.7	118.7	.....	11.25
Gilt Fnd. Guernsey	10.21	10.25	.....	11.25
Intl. Govt. Secs. Tst.				
First Sterling	£20.59	20.72	.....	—
First Intl.	$US219.48	220.34	.....	—

Kleinwort Benson Limited
20, Fenchurch St., EC3. 01-623 8000

Eurinvest. Lux. F.	1,100		+8	4.36
Guernsey Inc.	71.3	75.7	.....	2.94
Do. Accum.	89.4	94.9	.....	2.94
KB Far East Fd.	$US13.15		.....	1.52
KB Gilt Fund	£11.60	11.67	.....	10.55
KB Intl. Fund	$US12.65		.....	1.81
KB Japan Fund	$US35.32		.....	0.71
K.B. U.S. Gwth. Fd.	US$13.24		.....	1.51
Signet Bermuda	$US5.28		+0.02	1.70
K.B. Int. Bd. Fd.	$US104.05		.....	—

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Helier, Jersey. 0534 27561

Lloyds Tst. O'seas.	56.2	59.2	.....	1.62
Next dealing April 17.				
Lloyds Trust Gilt	£10.55	10.56	.....	12.00
Next dealing April 18				

Lloyds Bank International, Geneva
P.O. Box 438, 1211 Geneve 11 (Switzerland)

Lloyds Int. Growth	SF332.00	354.00	...	1.20
Lloyds Int. Income	SF293.00	304.50	...	5.30

M & G Group
Three Quays, Tower Hill EC3R 6BQ. 01-626 4588

Atlantic April 3	$US3.17	3.47	.....	—
Aust. Ex. April 4	$US2.37	2.71	.....	—
Gold Ex.Acc.	$US12.53	13.89	.....	—
Island	145.9	155.3	-1.2	13.58
(Accum Units)	212.5	226.1	-1.9	13.58

Samuel Montagu Ldn. Agents
114, Old Broad St., EC2. 01-588 6464

Apollo Fed. April 4	SF44.60	48.40	...	2.87
Japfest March 31	HK$13.51	14.63	...	0.44
117 Group March 21	$US11.18	12.22	...	2.35
117 Jersey March 21	£5.24	5.71	...	0.73
117 Jsy. O'S March 28	£8.77	9.23	...	—

Murray, Johnstone (Inv. Adviser)
163, Hope St., Glasgow, C2. 041-221 5521

*Hope St. Fd.	$US36.04		...	—
*Murray Fund	$US12.02		.....	—

Next dealing April 31.

[illegible]

Jardine Estn. Tst.	HK$305.14		.....	2.50
Jardine J'pn.Fd.*	HK$408.50		.....	0.90
Jardine S.E.A.	$US16.89		...	2.10
Jardine Flem. Int.	HK$12.85		.....	—
Intl.Pac.Secs (Inc.)	HK$13.76		.....	—
Do. (Accum.)	HK$13.96			—

NAV March 14 *Equivalent US$80.41.
Next sub. day March 30.

[illegible]

T.M.T. Ltd. April 10	£10.93	11.21	.....	2.97

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	US$17.11		+0.03	—

Wren Commodity Trust
10, St. George's St., Douglas IoM 0624 25015

Wren Commod. Tst.	103.0	103.9		—

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

1979 High	Low	Stock	Price £	+ or −	Int.	Red. Yield
76½	62½	Do. 8⅞pcLn. '92-97	76½	+½	11.89	12.20

FOREIGN BONDS & RAILS

1979 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
23	22	Antofagasta Rly	22	......	—	—
40	39	Do. 5pc Pref.	40	......	—	—
98	98	Chilean Mixed	98	......	—	f3.10

BONDS & RAILS—Cont.

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 23% (based on US$2.0922 per £). Conversion factor 0.8122 (0.8147)

CANADIANS

S.E. List Premium 23% (based on $2.4073 per £)

BANKS AND HIRE PURCHASE

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICAL AND RADIO

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

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INSURANCE—Continued

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MINES

CENTRAL RAND

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EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

MINES—Continued

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
104	56	Messina R0.50	99	+1	—	—	—

MISCELLANEOUS

[illegible]

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
$15¾	$10½	Buffels R1	$13¼	−⅛	Q190c	ϕ	16.6
$11¾	890c	East Drie R1	$10⅞	−⅛	Q115c	1.6	12.2
470c	350c	East Rand Prp. R1	455c	......	Q10c	—	2.6
$24¾	$18¼	F.S. Geduld 50c	$23⅝	......	Q315c	2.4	15.4
$14½	$11⅛	Pres. Brand 50c	$14¼	......	Q150c	3.2	12.1
$14¼	$10½	St. Helena R1	$12⅝	......	Q190c	1.4	17.3
595c	407c	Stilfontein 50c	555c	......	066c	ϕ	13.7
$24½	$13¾	Vaal Reefs 50c	$23¾	......	Q280c	2.7	13.8
$35¼	$28⅝	West Drie R1	$33	......	†Q385c	2.7	13.4
$29½	$22¼	West Hldgs. 50c	$29	......	Q415c	1.4	16.4
$15	$10½	Western Deep R2	$11¾	......	Q147½c	2.1	14.5

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- II No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 40

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	27½	......
Ash Spinning	107	......
Bertam	28	......
Bdg'wtr. Est. 50p	395	+5
Clover Croft	28	......
Craig & Rose £1	970	......
Dyson (R. A.) A	35	......
Ellis & McHdy	70	......
Evered	27½	+½
Fife Forge	54	......
Finlay Pkg. 5p	21	......
Graig Ship. £1	175	......
Higsons Brew	65	+2
Holt (Jos) 25p	269	......
I.O.M. Stm. £1	170	......
Pearce (C. H.)	203	......
Peel Mills	30	......
Sheff. Refrshmt	89	+2
Sindall (Wm.)	138	+18

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£91⅝	......
Alliance Gas	103	......
Arnott	370	......
Carroll (P. J.)	103	−2
Clondalkin	85xd	......
Concrete Prods.	93	......
Heiton (Hldgs.)	60	......
Ins. Corp.	220	......
Irish Ropes	110	......
Jacob	37	−3
T.M.G.	240xd	+5¼
Unidare	88	+3

OPTIONS
3-month Call Rates

Industrials					
A. Brew	7	I.C.I.	20	Unilever	55
BOC Intl.	6	"Imps"	9	U.D.T.	4
B.S.R.	8	I.C.L.	40	Utd. Drapery	10
Babcock	14	Inveresk	7	Vickers	17
Barclays Bank	32	KCA	4	Woolworths	6½
Beecham	52	Ladbroke	18	**Property**	
Blue Circle	13	Legal & Gen.	14	Brit. Land	5
Boots	13	Lex Service	9	Cap. Counties	7
Bowaters	18	Lloyds Bank	25	E.P.	3½
B.A.T.	28	"Lofs"	5	Intreuropean	5
Brown (J.)	50	London Brick	7	Land Secs.	20
Burton 'A'	22	Lonrho	9	MEPC	15
Cadburys	5	Lucas Inds.	25	Peachey	13
Courtaulds	10	"Mams"	18	Samuel Props.	14
Debenhams	8	Mrks. & Spncr	9	Town & City	2
Distillers	21	Midland Bank	30	**Oils**	
Dunlop	6½	N.E.I.	14	Brit. Petroleum	70
Eagle Star	10	Nat. West. Bank	28	Burmah Oil	11
E.M.I.	14	Do. Warrants	15	Charterhall	3½
Gen. Accident	21	P & O Dfd.	8	Shell	48
Gen. Electric	32	Plessey	10	Ultramar	24
Glaxo	55	R.H.M.	5	**Mines**	
Grand Met.	12	Rank Org.	25	Charter Cons.	16
G.U.S. 'A'	30	Reed Intnl.	16	Cons. Gold	17
Guardian	24	Spillers	5½	Rio T. Zinc	27
G.K.N.	24	Tesco	6		
Hawker Sidd.	22	Thorn	22		
House of Fraser	15	Trust Houses	27		
		Tube Invest.	30		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Tuesday April 10 1979

Hudson's Bay accepts Thomson bid

BY JIM RUSK IN TORONTO

HUDSON'S BAY COMPANY has accepted the third offer by the Thomson family for control of the giant Canadian trading and retailing concern.

But the Canadian Government has intervened with the aim of postponing the deal in order to allow a monopolies investigation to be carried out.

Mr. Warren Allmand, Minister of Consumer and Commercial Affairs, has announced that the Government is to seek an injunction to stall any takeover.

The C$640.8m bid for 75 per cent of the Bay at C$37 a share was accepted over an offer of C$40 a share cash or preferred shares for 45 to 60 per cent of the Bay from rival bidder George Weston.

The Weston offer was rejected on three grounds. Since it was conditional on Weston obtaining 45 per cent of the Bay's shares it might not have succeeded and Bay shareholders who tendered to it thus would not have a chance to sell. Weston's current *highly-geared financial conditions* could have had an adverse effect on the future ability of the Bay to raise the necessary funds to finance its development. Finally, the Weston bid is regarded by Bay lawyers as more likely to encounter difficulties with Canadian monopolies authorities than the Thomson bid.

However the Canadian Government whose Bureau of Competition Policy is investigating a complaint that acquisition of the Bay by either Thomson or Weston would lessen competition, plans to seek an injunction barring the completion of any purchase until the investigation is finished.

Furthermore, the Board's rejection may not kill the Weston bid. The Board controls only about 5 per cent of the Bay's shares and the final decision on the two bids will be up to its 30,000 shareholders, of whom between 13,000 and 14,000 live in Britain.

After an unusual hearing on Sunday and private discussions that went into the small hours of yesterday, the Interior Security Commission approved in principle an escrow scheme that Weston is offering Bay shareholders.

Under the terms of the escrow, the shareholders will be given a chance to tender into the Weston offer, which is at a higher per share price, but if Weston appears to be failing, the shares can be taken out of escrow and tendered to Thomson just before that bid expires. The escrow agreement is considered to be especially attractive to professionally-managed accounts, about 75 of which hold half the Bay's shares.

Turkey and Greece in talks

By Metin Munir in Ankara

GREECE AND Turkey have started secret talks in Geneva aimed at resolving a broad range of problems. The two sides are working on a "political document" which could include a non-aggression clause.

The talks are between Mr. Sukru Elekdag of Turkey and Mr. Byron Theodoropoulos of Greece, both senior officials in their respective foreign ministries.

Turkey and Greece have been continuing negotiations on Aegean problems since the summit meeting between Mr. Bulent Ecevit and Mr. Constantine Karamanlis, their Prime Ministers, in Montreux a year ago. But it is felt that secrecy is required to give a better chance of success in the more wide-ranging talks in Geneva which started at the weekend.

Three main questions are being discussed: division of the Aegean continental shelf between the two countries; opening air space which has been closed since 1974; and the treatment of minorities in both countries.

The Greeks are insisting that Cyprus is not an issue, and the two sides appear to have decided to let Turkish and Greek Cypriots settle their problems *separately* under the aegis of the UN and the "guidance" of their parent countries.

The talks appear to be encouraging a significant relaxation of tension between the two countries, and this could be important for NATO as Turkey has been blocking Greece's full return to the military wing of the alliance from which it withdrew following the Turkish invasion of Cyprus in 1974.

The idea of a non-aggression clause came from the Greek side. Originally, this found little favour with Mr. Ecevit but he is now thought to be more attracted to the idea. It is thought that this may be because of the effect of the U.S. arms embargo on Turkey between 1975 and 1978 which weakened the Turkish army and enabled the Greeks to achieve air and sea supremacy.

Mr. Ecevit also faces severe domestic problems. Kurdish uprisings in Iran have led to fears in Ankara that Turkish Kurds, which make up 7m of the 45m population, may agitate for independence.

Mr. Karamanlis is under strong pressure from the Common Market.

Mr. Karamanlis is said to be further worried about post-Tito developments in neighbouring Yugoslavia.

David Tonge adds: The possibility of a resumption of the Cypriot inter-communal talks has advanced slightly following the recent meetings betwen Dr. Kurt Waldheim, the UN Secretary General, and Turkish Cypriots.

Sterling helping to steady prices

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE RATE of price inflation is likely to accelerate modestly during the next few months, suggest new official figures for manufacturing industry's *costs* and prices.

The wholesale price indices for March, published yesterday, indicate that the recent strength of *sterling has partly* offset a sharp rise in world commodity and raw material prices, and thus limited the impact on industry's costs.

Output prices charged by manufacturing industry are still rising at a modest rate, possibly because higher labour costs are being absorbed at the expense of profit margins.

The indices provide advance warning of the likely trend of prices in the shops in three to six months time. They suggest that the 12-month rate of retail price inflation — *9.6* per cent in mid-February — should not accelerate rapidly during the summer.

The mid-March index is due to be announced on Thursday and a return to a double-figure rate of increase is likely within the next month or two. What happens after that will depend both on sterling and on the size of any increases in indirect taxes in the post-election Budget. Leading forecasters expect the 12-month rate to be between 9.5 and 12 per cent by the end of the year.

The upward pressure on industry's costs is shown by a 1.2 per cent rise during March to 153.8 (1975 = 100) in the index measuring material and fuel prices. The increase would have been even larger but for the appreciation of sterling. There should be further benefits still to come in April from the strength of the pound.

This index has risen by 3.7 per cent since the beginning of January after a 2.4 per cent increase in the previous three months.

WHOLESALE PRICES
1975=100

		Raw Materials	Output (home sales)
1978	1st	140.2	149.2
	2nd	146.3	151.8
	3rd	144.9	154.8
	4th	147.1	157.3
1979	*1st**	*152.2*	*161.5*
	Jan.	150.8	160.0
	Feb.*	152.0	161.7
	Mar.*	153.8	162.9

* provisional.

Source: Department of Industry

Industry's costs have risen by 8.3 per cent *over the last* 12 months, compared with an 8.6 per cent rise in prices charged for manufactured products.

Output prices increased by 0.7 per cent last month to 162.9 (1975=100). This index has risen by 2.9 per cent since the beginning of the year, compared with a 1.7 per cent rise in the previous three months.

Prices charged by companies outside the food, drink and tobacco sector rose by roughly 1 per cent last month. More than a quarter of this rise was caused by the residual impact of the increase in petrol prices in February.

The raw material costs of companies outside the food, drink and tobacco sectors increased by 1½ per cent last month. There was a particularly sharp rise in the price of coal, and the cost of hides, skins and several metals, notably copper and lead, also increased.

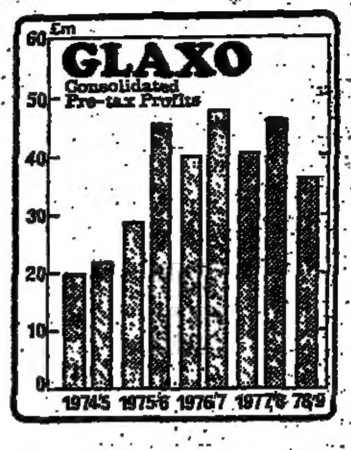
The food industry's costs rose by roughly a ½ per cent in March, mainly as a result of cereals. Prices charged by food higher prices for home produced manufacturing companies increased by only ½ per cent last month.

Editorial Comment, Page 18

THE LEX COLUMN

Glaxo under sedation

Index rose 6.1 to 531.4



The Glaxo share price had been falling ahead of the interim figures, but in the event a £3.8m drop in pre-tax profits to £36.5m was even worse than expected and the shares *dropped 22p to 538p last night.* They now yield a prospective 3.5 per cent and sell on close to 12 times historic (and prospective) earnings—a demanding rating.

Glaxo's sales rose by just 6 per cent during the period and it is clear that virtually all of this was pure volume growth. The sales of Glaxo's older products are slowing down while the new products are not yet contributing significantly. The problems are not new. The only worrying feature is that the growth of many of Glaxo's old established businesses seem to be slowing down more than might have been expected while the successful marketing of the new generation of drugs is moving more *slowly* than anticipated.

As a result Glaxo's profits in 1978-79 are likely to be a little down on last year's £86.4m—the second year of stagnation. However, 1979-80 should finally see a return to growth as profits from Trandate, the new hypertensive drug, and Zinacef, the second generation cephalosporin, start flowing through.

The development of the latter is aimed at maintaining Glaxo's grip on its existing market share but Trandate is a new departure and Glaxo reckons that it will become of its "most important and profitable products." The only question is whether Glaxo has a big enough marketing organisation (particularly in the U.S.) to capitalise on its invention.

Woolworth U.S.

Canada's takeover *binge* is reaching extraordinary proportions. As Hudson's Bay Company was announcing its conditional acceptance of the latest Thomson offer yesterday, the Bronfman and Patino families revealed that they were thinking about bidding for control of Brascan—and Brascan in turn unveiled a U.S.$1.13bn bid for F. W. Woolworth Co. of the *U.S.*

That seems to scupper the Bronfman plans, which are clearly aimed at controlling the U.S.$380m which is coming Brascan's way following the sale of its utility interests in Brazil. Any Bronfman bid would be conditional on Brascan keeping its present shape—and Brascan says smugly that it is legally bound to bid for Woolworth as soon as it deposited its terms with the SEC in Washington yesterday.

The bid for Woolworth poses much more interesting questions. *Brascan's ordinary shareholders'* funds amount to $886m, and it has long term debt of about $100m. It is proposing to borrow another $700m to fund the acquisition, which it says it will refinance either by debt or equity issues, or by asset disposals. The price of the quoted UK Woolworth subsidiary obligingly jumped 6p to 80p, which values the parent's stake at $335m.

Brascan's bid is only a little short of Woolworth's net book worth, but the recent revaluation *by the UK subsidiary* suggested that this figure was substantially understated. An analysis by UK brokers Hedderwick Sterling comes out with net assets of over $90 a share.

The trouble is that Woolworth's return on capital is poor even taking the apparently conservative book figures. And it is far from clear that Brascan is capable of revitalising a business which, at the last count, controlled nearly 70m square feet of selling space excluding the UK stores. Brascan's own *return on capital is nothing to* shout about, and even its most charitable critics say that its diversification record in the past decade has been indifferent. And its bid motives are suspect: the Bronfman's were probably not the only predators with an eye on Brascan's crock of Brazilian gold.

Rowntree Mackintosh

Rowntree Mackintosh's share price responded with a gain of 11p to the news that pre-tax profits had climbed some 9 per cent to *£45.1m. But around half* of that improvement could be explained simply in terms of the interest saving benefit of the rights issue last May, which was launched when the share price was 418p against 419p last night. This poor price action emphasises the way that Rowntree launched the rights issue at a time when competition in its major markets was tightening—the trading margin on sales fell by the best part of a full point to 9.2 per cent in 1978—while its plans for future growth hinged around a strictly long term, capital intensive push into new areas, notably the Continental European market.

Last year's volume growth of around 5 per cent paid further tribute to the group's marketing abilities, but the competition has been hitting back—notably Cadbury in chocolate bars—while Rowntree lost the advantageous forward cover in cocoa it had enjoyed in 1977 and export margins were badly hit by the rise in sterling. Meanwhile Rowntree has been spending heavily, the capital programme rising from £24m in 1977 to £42m last year and to a budgeted £53m in 1979. This could pay off in a big way in the early 1980s if the group succeeds in generating its targeted volumes in the Continental EEC. For the moment, though, Rowntree remains a *high quality performer in a dull patch*, the yield is a modest 4.7 per cent.

German chemicals

With the publication of Bayer's preliminary results yesterday the 1978 picture for the triumvirate of German chemical majors is complete, and on the whole the figures are consistent. Bayer has more overseas business than BASF or Hoechst, and is thus more vulnerable to the strength of the mark; as with its rivals, profits growth has been *minimal*, and even though it consolidated Miles Laboratories for the first time in 1978, it still produced rather less than the 1976 pre-tax figure of DM 1.3bn.

It does seems clear, *however*, that the fourth quarter, although flattered by comparison with the dreadful last quarter of 1977, saw a signficant *recovery for the majors.* Bayer's exports picked up and sales volume was better all round. The industry seems to be holding on to its vital, if so far restricted, gains in capacity utilisation, and the shortage of petrochemical feedstock, even if its effect on trading margins is not yet clear, has at least got prices up. The shares of all three have held relatively steady this year against a 5 per cent fall in the German equity market.

Freeze on telephone and postal charges

BY MAX WILKINSON

TELEPHONE CHARGES would be frozen at least until the end of the year, Sir William Barlow, chairman of the Post Office, said yesterday. Postal charges would be frozen for the next three months, but an increase might be necessary thereafter.

By the end of the year the main telephone charges would have remained the same for four and a-half years, during which the retail price index had increased by more than 50 per cent.

Sir William said this represented a tremendous achievement by the Post Office in holding prices steady in the face of inflation while continuing to make a profit.

The main reason for this had been the increase in both telecommunications and the postal business, and better efficiency.

Sir William said he expected the Post Office's profit in 1978-1979 would be about £335m to £345m, about the same as last year. He described the Post Office as being "financially" on target."

The *profit* expected for the postal business was £30m to £40m, for telecommunications £300m, and for the National Giro Bank, £5m.

Sir William said: "It should be remembered that every penny of these profits is ploughed back into the business."

The volume of postal business had increased 12 per cent compared with the previous year's. The parcels service, which was losing £43m four years ago, came back into profit last year.

Sir William said that postal prices had remained the same for two years. Whether they could stay at the same level after the three-month freeze would depend on a number of factors.

One of the most important was the volume f postal business.

Another uncertain factor was the effect of a recent efficiency agreement with the Union of Post Office Workers. If this was ratified by the union's conference on May 2, and implemented as the Post Office hoped, it could contribute to holding down costs.

United Biscuits buys U.S. food company

BY CHRISTINE MOIR

UNITED BISCUITS, one of the leading British biscuit and convenience food manufacturers, has agreed to pay $60m (*£28.74m*) *for Specialty Brands*, a private U.S. company which prepares and distributes salad dressings and spices.

Last year Specialty's pre-tax profits were $4.7m (£2.25m), only $40,000 higher than the previous year. However, sales were affected by the poor lettuce crop and this year profits are expected to grow by about 50 per cent.

Specialty's products are distributed throughout the U.S. but, according to Mr. James Blyth, finance director of United Biscuits, further growth is expected from expansion of the distribution network.

The acquisition will be United Biscuit's first major purchase in the U.S. since it bought Keebler, *the second largest biscuit maker* in the country, for $52m in 1974. Since then significant sums have been spent on increasing capacity by about a fifth.

Indications are that United Biscuits intends to increase Specialty's *capacity as well.* At present the book value of Specialty's assets is $12m.

United Biscuits will retain some senior executives who will hold 10 per cent of Specialty's equity for five years. During that time United Biscuits will buy them out at yesterday's offer price ($40 per share) or one reflecting the growth of earnings *over the period.*

The acquisition will be funded by a loan facility raised in the UK last year.

Last month, when he announced a growth in group pre-tax profits of £4m to £42.2m for 1978, Mr. Blyth said United Biscuits was planning purchases of companies in the U.S. Yesterday he said the group did not *intend to stop at Specialty and* would still be interested in further acquisitions.

Weather

UK TODAY

CLOUDY in most places with further outbreaks of rain. Brighter, though showery, in south later. Max. 12C (54F).

London, E., S.E., Cent. S. England, E. Midlands

Mostly cloudy with outbreaks of rain. Brighter later.

W. Midlands, S.W. England, S. Wales

Cloudy with heavy rain or showers at times. Sunny intervals.

N. England, N. Wales, Isle of Man

Cloudy with outbreaks of rain. Hill fog patches.

S. Cent. Scotland, Highlands, Ulster

Mostly cloudy. Outbreaks of rain. Bright intervals.

Rest of Scotland

Rather cloudy. Rain at times and sleet on hills.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	16	61	Locarno	S	14	57
Algiers	C	19	66	London	C	10	50
Amsdm.	S	12	54	Luxmbg.	S	13	55
Athens	S	16	61	Luxor	S	34	93
Bahrain	S	34	93	Madrid	C	17	63
Barclna.	F	16	61	Majorca	S	17	63
Beirut	F	19	66	Malaga	C	15	59
Belfast	Sl	1	34	Malta	C	17	63
Belgrd.	F	10	50	Mchstr.	R	6	43
Berlin	C	7	45	Melbne.	C	12	54
Biarritz	F	18	64	Mex. C.	S	25	74
Bmghm.	R	7	45	Milan	S	15	59
Blackp'l	R	5	41	M'ntreal	C	7	45
Bordx.	C	17	63	Moscow	C	1	34
Boulgn.	C	13	55	Munich	S	7	45
Bristol	R	8	46	Nairobi	R	23	72
Brussels	*S*	*16*	*61*	*Naples*	*S*	*18*	*64*
B. Aires	S	19	66	Nwcstl.	R	5	41
Cairo	S	24	75	N. York	R	5	40
Cardiff	R	6	43	Nice	S	15	59
Cas'b'ca	C	20	68	Oporto	R	15	59
Cape T.	S	19	67	Oslo	C	5	41
Chicago	C	—1	30	Paris	C	15	59
Cologne	S	13	55	Perth	C	23	73
Cpnhgn.	S	5	41	Prague	C	4	39
Corfu	S	17	63	Reykjvk.	S	3	37
Dublin	C	6	43	Rhodes	S	15	59
Dbrvnk.	S	13	55	Rio J'o	C	26	80
Ednbgh.	C	5	41	Rome	S	16	61
Faro	C	18	64	Salzb'rg	S	9	48
Florence	S	16	61	Singapr.	C	26	80
Frankf't	S	12	54	Stckhm.	C	7	45
Funchal	F	19	66	Strasb'g	S	14	57
Geneva	S	10	50	Sydney	C	19	66
Gibrltr.	C	[illegible]	59	Tangier	C	20	68
Glasgow	C	5	41	Tehran	S	27	82
G'rnsey	F	11	52	Tel Aviv	S	19	66
Helsinki	F	4	39	Tenerife	C	17	63
H. Kong	C	19	66	*Tokyo*	C	23	72
Innsbr'k	S	14	57	Toronto	Sn	3	38
Invrnss.	C	4	39	Tunis	F	20	68
Istanbul	F	11	52	Valencia	R	17	63
Jersey	F	12	54	Venice	F	14	57
Jo'burg	S	26	78	Vienna	F	7	45
L. Plms.	S	23	73	Warsaw	S	9	48
Lisbon	C	17	63	Zurich	S	9	48

C—Cloudy. F—Fair. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

International banks return to Iran

BY ANDREW WHITLEY IN TEHRAN

MANY OF the international banks represented in Tehran have returned to the Iranian capital in the past week after a two-month absence.

Some well-known names may have reopened because the Germans and Japanese, led by Deutsche Bank and the Bank of Tokyo, are already very active.

Traditional areas of banking, such as trade financing and correspondent relations, are expected to be the mainstay for some time, based on official assurances that the commercial banking structure in Iran is safe and the need to maintain the business relationships established over the past decade.

Gone are the days of profitable syndicated loans to Iran. One banker said flatly yesterday that the Euromarket would not be receptive to *Iranian borrowing* in 1979.

Direct lending to the private sector is expected to prove the most difficult of the previous areas of business given the parlous state of private industry. New risks are simply being restricted to letters of credit.

Imports are being restricted to foodstuffs, medicine and spare parts. Trade financing in general is, however, going to be a little difficult, according to one Western banker, who expected that initially there would need to be more Government cover than usual.

The Government is encouraging the import of food, including *sugar* from France and rice from Pakistan, for obvious political reasons. Banks have been told to drop the former 100 per cent deposit requirement and to reduce it to 20 per cent in some cases, handling the extra risk themselves.

The import restrictions apply until at least the end of this month, but there is no evidence yet of the promised import regulations, or indeed of broader economic policy making, at a time when the Government remains pre-occupied with *political issues.*

Confidence, particularly among private industrialists, remains critically important. Shareholders in Prime Minister Bazargan's own engineering company are known to be urging its closure.

The Iranian banking system, however, is slowly regaining its own confidence, with some *banks once again reporting an* increase in deposits, following the destructive blows of the revolution. Nevertheless, the Central Bank of Iran is said to consider only four of the 21 privately-owned commercial banks as being in reasonably sound shape.

● Iran Air has returned two Airbuses to the European manufacturers six months before their leases expire, but still plans to buy four or five aircraft after renegotiating contracts. Page 6

Simon Henderson writes from Tehran: The purge of members of the Shah's regime continued yesterday with the executions of another 11 people; including General Amir Hossein Rabii, the former head of the air force, and Dr. Manoucher Azmoun, a long serving minister in several governments. There have been 75 political executions since the February revolution.

Continued from Page 1

Woolworth

pany for several years and its board had been looking for an alternative source of income. Interest and equity income from Light accounted for $135.4m of the company's net income of $151.2m in 1977.

Brascan said it wanted to acquire "a large company with sufficient earnings and cash flow and prospects for future growth" with significant operations in the U.S. and Canada.

Woolworth, it said, met these *criteria and Brascan decided to* press ahead with an offer. Among other things this involved the incorporation in Delaware last Wednesday of Brascan USA Inc. as the vehicle for the takeover.

Brascan's offer is conditional upon acquiring at least 16m of Woolworth's 29.3m outstanding shares. An additional 2.5m Woolworth shares reserved for conversion of a series of convertible preferred stock.

Brascan does not expect to launch the offer until April 30 *because of complications* created by various state takeover statutes. As a defensive ploy against Woolworth seeking to bar the takeover through one of these statutes, Brascan yesterday filed an action to have the Louisiana takeover law declared unconstitutional.

Louisiana is one of several states in which Woolworth could conceivably mount a defence, and Brascan's aim appears to be to seek a ruling which would reinforce a judgment, declaring similar legislation in the state of Idaho unconstitutional, which is now being appealed to the U.S. Supreme Court.

—Following the sale of its Brazilian subsidiary, Brascan *has interests with a net worth of* $568m in Canada and $354m in Brazil. Its Canadian interests include brewing, utilities and financial services companies.

Continued from Page 1

Saudi oil

OPEC's price increases so far this year—with the exception of Saudi Arabia—range from 20 to 25 per cent on most Middle East crudes and more than 30 per cent *for the light, low sulphur* African crudes, far in excess of the 14.5 per cent increase planned in December.

● Gabon announced yesterday it had raised its crude price to $16 a barrel.

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